

# Management Record

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## • In the Record •

### Faster Reading for Executives

The stack of books, pamphlets and brochures which usually wait and wait and wait for attention can be a pretty discouraging sight to busy executives. Of course, assistants and secretaries can shoulder some of the reading load, but there is much too much that simply must be read by the executive himself.

Some companies are looking for an answer to the problem by offering or arranging for courses in speeded reading for executives. Fifteen or twenty hours of training, spaced over a few weeks, can teach most trainees to double their reading speed; even, in some cases, triple it. Besides this, experts say that fast readers comprehend more than slower ones. For an analysis of the techniques and principles of speeded reading courses, see "Management Learns To Read—Faster," on the next page.

### Wages and Productivity

Should increased productivity be reflected in a fatter pay envelope for Mr. Average Worker? And if so, to what extent? Should the adjustment be on a long-range or immediate basis? Should it reflect nationwide or local productivity? Or should the gains of increased productivity be channeled into other benefits—like shorter hours, price cuts and industry expansion?

These are only a few of the questions that arise in the discussion of productivity in the Round Table this month. Three qualified men with divergent views focus their attention on the complicated and sometimes delicate issues connected with the wage-productivity relationship. "Productivity and Wages in Collective Bargaining" begins on page 281.

### The Bored Bulletin

It's a funny thing about bulletin boards—despite the fact that they are easy, quick, and clear, they are often treated like the neglected stepchild by many companies. A bulletin board which is cluttered with tattered, old notices and housed in a dark corner where it is most likely to be overlooked is, alas, a pretty common sight around some companies.

"Bulletin Boards vs. Bored Bulletins" tells how a little more imagination and a little more energy on the part of the person in charge can change this "stepchild" into a bright and effective communication medium. The attitude of management toward the bulletin board program seems to be one of the basic reasons for the program's success or failure. See page 290.

### Streamlined Medical Clinic

Any company-run medical clinic is expected to perform the usual duties—such as giving physical examinations and administering first-aid to the ill. But the employees of the Allen-Bradley Company of Milwaukee have come to enjoy more than just usual performance on the part of their Lynde Clinic. This clinic is modern and efficient, with every possible device for comfort, ranging from hanging rooms which avoid factory vibrations to airfoam mattresses on all hospital beds.

"A Streamlined Medical Clinic" gives a detailed description of the physical layout and the functioning of the clinic at Allen-Bradley. Company management feels that this well-developed medical clinic is an important reason for the low turnover rate and reduced absenteeism. The story starts on page 286.

### Retail Prices after Korea

What effect the truce in Korea may have on the "cost of living" is a question that many people would like to have answered. But it's not so simple to do. What can be done, though, is to take a careful look at what has happened to prices during the war period. "Review of Labor Statistics" (page 302) does just this. It traces the history of price changes in the various components that make up the consumer price index during the course of the fighting over the last three years. Some implications may then be drawn as to what is likely to happen, now that the shooting war is over, at least for the foreseeable future. Also included in this article are the regular statistics on employment, hours and earnings and wage settlements—all prepared by the Board's Statistical Division.



# Management Learns To Read—Faster

The importance of increased speed in reading for the busy executive can hardly be disputed. He must keep abreast of an ever-growing sea of material. That is a reason why many individuals and companies are interested in training courses in speed reading

**H**OW WOULD YOU like to be able to read at the rate of 24,000 words per minute? Impossible? Not at all. Many can do it. All you need is a fifteen-hour training course. Within a few weeks you can read four words in 1/100 of a second—a rate of 400 words per second or 24,000 words per minute. The gimmick is that you probably won't be able to sustain such a speed very long—about 1/100 of a second to be exact.

This is an exaggerated example of the misconceptions and half-truths which the speed reading experts would like to have everyone clearly understand. Speed reading courses will give results, they say, but they urge a complete recognition of all the factors involved and the limitations.

But what are the actual benefits connected with a speed reading course? And will speeded reading help solve the problem of getting through a greater amount of printed material in a shorter length of time?

Most executives seem to need no convincing about the necessity to read faster. A constant gripe on their part is a feeling of impotence in the face of increasing stacks of books, periodicals, reports, brochures, pamphlets, announcements, and papers; and *summaries* of books, periodicals, reports, etc.

Of course, competent assistants can often discard the obviously unnecessary reading, and summaries can sometimes be provided that give the executive the meat of long-winded treatises. However, there are many articles and books that the executive must read himself. Will a course in speed reading really help him to do a faster and better job in gaining an understanding of this material?

A look at the basic theories and practices used in speed reading may help to give an answer to that important question.

There are different viewpoints, principles and methods propounded in teaching speeded reading. However, reports by the specialists and those who have used their services indicate that improvement is nearly always secured regardless of method.

Some have been disappointed in results achieved but they may have been misled in the first place or they may never have bothered to learn the limitations of these programs. And the limitations are real indeed.

One difficulty is that speeded reading has become so popularized that the approach of many business men to this subject is too emotional. Their excitement at the prospect of being able to conquer the ever present stack of reading matter seems to blind them to any limitations in the field. Would-be speed readers can become the victims of exaggerated zeal.

However, a need for training in speeded reading can be demonstrated in a number of ways. It is pointed out that few people receive any training in reading after the fourth grade in grammar school. Also there is evidence that many intelligent executives just don't use good judgment in their reading habits. Specifically, some executives insist on reading every word, say the experts. Instead of looking for the highlights, they struggle right through the entire story. Executives in industry A, for instance, read a lot of extraneous matter which applies only to industry D. In other words, faced with a reading problem, they do not see that they are continuing to read much that they do not need.

## HOW LONG DOES IT TAKE?

Class hours for a complete course in speed reading total about fifteen or twenty, spread over a convenient period. One fifteen-hour course covers a ten-day period. Another course with a total of twenty class hours was operated on the basis of one hour each day for twenty consecutive working days. Often additional hours (sometimes ten or twelve) must be spent in "before-and-after testing and counseling."

## Testing

The general procedure is to make preclass tests, to test again at certain intervals after training has started in order to indicate rate of progress, and finally to test what the value of the course has been in terms of how reading performance has improved since the initial preclass test.

One or all of the following tests are usually given on a preclass basis.

- **Comprehension.** Questions on subject matter are asked so that a score on comprehension can be computed in terms of the per cent of subject matter retained correctly. The amount of increase can be computed by



administering a similar test at the end of the course.

**Rate of reading in terms of words per minute.** Studies indicate an average rate of around 250 WPM before instruction.

**Vocabulary.** It is admitted that vocabulary must have some effect on speed of reading since an unusual number of unfamiliar words could hardly have any other effect than to slow down speed and interfere with comprehension.

**Visual acuity.** An examination is given to determine if there are any visual defects which might prevent normal reading habits. Experts agree that physical handicaps involving the eyes are not subject to correction by classes in speed reading.

**Eye performance.** This is studied in two ways.

1. **Psychological.** Specialists advise that it is necessary to watch for people with specific disabilities such as the habit of reversing letters. These people, they say, require special remedial reading courses and should not be admitted into speed reading groups while the disability exists.

2. **Physical.** It has been found that the eye moves in jumps as an individual reads a line of print. The eye of the slow reader, reading a word at a time, jumps from one word to the next. The eye of the fast reader takes in several words or a whole phrase at once. Consequently, the number of eye movements of the fast reader is much less than that of the slow reader. Some courses strive, among other things, for a reduction in the number of eye movements.

## USE OF MECHANICAL AIDS

After these preliminary tests, instruction begins. The method of instruction varies from one authority to another but there appear to be only two major types. One group leans heavily on mechanical aids to achieve results. The other condemns the gadgets as crutches which prevent the patient from ever learning to walk; instead, this group believes that the person must learn to develop the ability to select quickly only the important words or thought in the writing. (This speeds reading by making it unnecessary to read every word). There are still other authorities who feel that most can be accomplished by utilizing both techniques. These people may use some mechanical aids but not others.

It is doubtful whether any clear-cut decision can be drawn between these two procedures. Both sides report success and both have many enthusiastic adherents. It might be concluded, therefore, that the specific method of instruction is not a very significant factor.

Those who use mechanical aids will usually use one or all three of the major pieces of training equipment. These are the tachistoscope (pronounced ta-kiss-o-skop); a reading rate controller, accelerator, or pacer; and timed reading films.

## The Tachistoscope

The tachistoscope is also called a flashmeter. This instrument is essentially a slide projector with a camera shutter which can vary the time of exposure from about 1/10 of a second to 1/100 of a second. Numbers are first flashed on the screen—one or two numbers at the slower shutter speeds. The members of the group are called on to recognize and identify those numbers. As the class increases in its ability to recognize more and more numbers (usually up to about eight digits) at the slower speeds, the operator gradually increases the shutter speed until eight digits are shown for 1/100 of a second. The process is then repeated using words instead of numbers. Recognition of a phrase of four words shown for 1/100 of a second is considered good work.

Proponents of the tachistoscope claim that it conditions the vision for good reading. They say that it sharpens the perception, broadens the span of vision, and creates a habit of rhythmic fixations (the number of words taken in at one glance).

## The Accelerator

The accelerator, reading rate controller, or the pacer seem to be the most common names for essentially the same machine. The accelerator is a boxlike arrangement about the size of a nine-inch cube containing the mechanical parts necessary for moving a slide at variable speeds. The slide extends like a ramp from the front top of the box down to the level of the table on which the accelerator rests. Under the slide may be placed the printed matter to be read. The slide, which is first drawn back to the top of the ramp, then begins to descend, covering the printed matter at a predetermined rate of speed. The reader, of course, must keep ahead of the edge of the slide and he cannot re-read what he has missed. Students are started at comfortable, slow speeds. Over a period of time the speed of the slide is gradually increased, forcing the reader to read ever faster and faster to keep pace with the machine.

## Timed Reading Films

A piece of reading material is thrown on the screen but it is so dimly lighted that it cannot be read. Then words, groups of words or phrases are lighted up at a set but variable rate of speed. The exposure flashes give an impression of the old bouncing ball technique. The films start at a rather slow speed, comfortable to most people, and perhaps expose only one or two words at a time. The reader reads by keeping pace with the illuminated words or phrases. Again, as in the case of the accelerator, he cannot re-read what he has missed. Later films gradually increase the number of words the reader must grasp at each ex-



posure and at the same time shorten the period of exposure.

### PRINCIPLES OF TRAINING

These three visual aids for speeded reading training are all mechanical aids for learning. Their users insist that they are just that—aids for learning and nothing more. They help the reader, it is claimed, by forcing him into new and better habit patterns of using his eyes. The reader must make himself grasp a larger and larger span of words in a shorter and shorter time to keep ahead of the descending slide or to keep up with the exposures on the timed reading films.

The purpose of training is to establish these habit patterns. Users of mechanical aids feel that once the habit is firmly set the student will then continue to read at an increased speed. They point out that increases in speed are almost always accompanied by increases in comprehension.

Those who oppose mechanical aids seem to feel that such a dependence on equipment really defeats its own purpose. They believe that the slide or the flashing exposure stimulates a speed which is only maintained when the student is using the mechanical aid. When the machine and its pressure are removed, they believe that students revert to speeds much closer to their original rates.

Furthermore, say those opposed to mechanical help, the idea is not to read each word. That is wasteful. They feel that it is more important to read material by learning how to find the essence of what is being said; to learn how writing is put together so that the main idea of a sentence or paragraph may be secured at a glance. Read every word, say these experts? Bosh! Both speed and comprehension are improved by not reading the nonessential words and ideas.

This would seem to be the basic difference in the two schools of speed reading. Is it best to read every word and do it faster, or is it best to speed up simply by reading a lesser number of important words and let the rest slide? But there are still more considerations to be thought through.

### WHAT IS READING?

In the usual sense, the term reading means recognizing the printed words that are within one's visual range. But beyond that, and more important, reading includes getting the sense of what is read. A great deal has been found out about the relationships between the eyes and the printed page. Movies of the eye reading printed matter have provided a great deal of knowledge about eye span and fixations. It is known that the eyes move across a page in a succession of jerks, fixing successively on separate words or groups of words. A great deal is known about how to detect visual deficiencies and how to correct them. But most

experts agree that real reading is the process of "getting the sense" of the material which the eyes see. Isn't reading really what goes on *behind* the eyeballs? Very little is known about what happens there.

The use of mechanical gadgets would seem to emphasize reading improvement through an attempt to improve the eye-page relationship. And there seems to be ample evidence that the eye can be trained to read words faster and more efficiently. Those who do use mechanical gadgets are utilizing a different procedure for making sure that the eye meets only the words which are necessary to whatever process it is that goes on in the brain. Obviously no one knows whether any procedure of speed reading today has any effect whatsoever on those internal processes which get sense out of words.

### COMPREHENSION

Comprehension is the degree of understanding which a reader has of the material he reads. Nobody would claim that speeded reading has any importance if it means sacrificing understanding. The specialists are careful to point out the need to consider comprehension and its relation to reader training.

The claim is usually made that the faster reader comprehends more than the slow reader. And there are some data that would seem to corroborate such a statement but no conclusive proof exists. However, test results in speed reading classes frequently indicate some increase in comprehension even though it may be only 5% or 10%. It is pointed out that there is really a gain when the per cent of comprehension does not drop at a time when the material is being read, say, twice as fast. The aim is to increase the number of words per minute and, at least, lose nothing in understanding the material.

Comprehension is generally measured as the per cent of the author's ideas which can be identified by a reader soon after he completes a reading assignment. The reader is tested on what he has read by a written questionnaire. If he checks each question correctly, he is considered to have 100% comprehension.

This approach has been viewed with alarm by a number of people. They point out certain facts and raise certain questions:

- It may be a false assumption to conclude that a paper-and-pencil, multiple-choice test covers the material sufficiently well.
- The reader's previous experience and knowledge may well enable him to answer the questions without having read the article at all.
- Does speeded reading permit high comprehension today but cause a higher rate of loss of understanding weeks later?
- Just as important as remembering is the necessity of understanding.

(Continued on page 312)



# Productivity and Wages in Collective Bargaining

A summary of proceedings at a Round Table conference held at the 37th Annual Meeting of the National Industrial Conference Board is given below. Chairman of the meeting was David L. Cole, partner in the law firm of Cole, Morrill and Nadell, Paterson, New Jersey, and former director of the Federal Mediation and Conciliation Service. Panel Members were:

John T. Dunlop, Professor of Economics, Harvard University

Richard P. Doherty, Vice-President, Employee-Employer Relations, National Association of Radio and Television Broadcasters

Boris Shishkin, Director of Research, American Federation of Labor

**CHAIRMAN COLE:** No discussion of collective bargaining would be complete without pointing out that there is a revolutionary process going on. We are hopeful that sheer force will be replaced by intelligence.

The interest in this meeting is an indication that the collective bargaining recipe now includes a pretty good dash of intelligence at least.

Certainly productivity as a basis for wage adjustments and for the adjustment of benefits to wage earners can be justified only on the grounds of intelligent persuasion and economic facts rather than on the basis of economic strength or sheer force.

Productivity is not used solely as an argument in favor of increased wages. Increases in productivity have been used as a basis for other kinds of benefits—reduction in work hours, a guaranteed annual wage.

In the airline industry not so long ago we had a presidential board that had to consider the question of the pilots' work month. It is now limited to eighty-five hours of flying by law. The pilots sought a reduction in proportion as the size and speed of the planes kept increasing. Note that they didn't ask that salaries be increased, but that the flying hours be decreased. That was the way in which the airline pilots thought they ought to share in the increase in productivity of the airline industry.

I suppose that a leaf was taken to some extent from the railroad book. The presidential board did

not recommend a reduction in the flying hours based upon productivity. Industry did not accede to that request.

There are many complicating factors in relating wages to productivity. It is not simple. It is therefore very fortunate to have men of such varying viewpoints and such broad experiences to discuss the problem with us.

## General Principles on Relation of Wages and Productivity

— John T. Dunlop —

**T**O START the discussion on the interrelations between wages and productivity, I would like to make five observations.

1. The relation between wages and productivity is not a simple, one-way relation, but rather a complex process of interrelations. A chemist would say the arrows go both ways showing reactions. Higher productivity permits higher wages or higher benefits or shorter hours. Higher productivity creates a larger national product out of which wages and salaries may be increased. That is the way we usually talk about the relations between wages and productivity.

But there is a sense in which the reverse reaction is equally true. Higher wages may induce higher productivity. This was the philosophy Henry Ford popularized, that a work force that is well provided for and which receives good wages will be more productive. It is the philosophy which Europeans have called the high-wage philosophy in the United States. Furthermore, higher wages (rising wage costs) have been an important stimulus in inducing American management to develop new methods of production and labor-saving devices and equipment of all kinds.

So the first point, again, is that the relationship between wages and productivity is a two-way relationship: higher productivity-higher wages and higher wages-higher productivity.

2. The relationship between wages and productivity is the more significant the longer the period of time we consider. If we are thinking about six months, or a year, the relations between wages and productivity are less significant than for twenty



years. The longer the period of time, the more significant these interrelations.

3. When we think about the relation of wages to productivity, it is essential to distinguish three types of wages: the wage structure of a plant; the wage level of an industry; and the general wage level of the economy. The interrelations between wages and productivity operate a little differently in each one of these three wage areas.

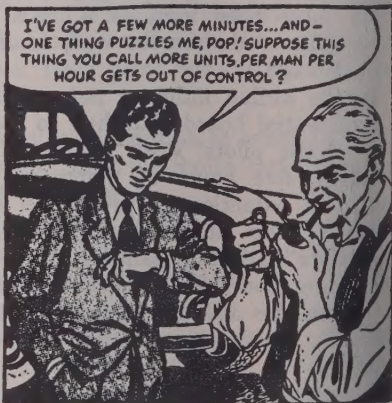
Let us look first at the plant wage structure. Increases in productivity are almost inevitably translated into wage rate increases for particular job classifications. For example, in a plant on an incentive or piece-rate method of wage payment, as new methods are introduced or technological changes take place, it is almost impossible to prevent some of the gains from accruing immediately to the workers on the particular job operations. This is the well-

known phenomenon of the drift in piece-work earnings as job operations are changed. The same is true even in the case of day-rate jobs. As new methods come in, it is a common observation that managements alone, or managements and union together, frequently agree upon some slight adjustment in the rate to ease the process of adjustment. The wage rate increase in the particular job classification is designed to grease the skids of the change itself; to encourage, to make easier the processes of adjustment.

Changes in productivity operate on the wage rate structure of a plant directly at the points where the change is made. The problem in administering job evaluation plans and wage structures, of course, is to see that the rates for changed jobs do not get grossly out of line with the rest of the rates in the plant. But technological change over any period

## Explaining Productivity to Employees

The importance of more production per man-hour is something that most managements try to impress upon their employees. To help explain this concept, the Benji





time like five or ten years is probably the most important factor affecting the rate structure of plant.

I wish there were time to go into the results of a series of ten or fifteen case studies which have just been completed by graduate students working for Professor Sumner Slichter and myself in which they studied the adjustment in the rate structure of plants that result from the process of technological change. In each of these cases, in four or five years the impact of technological change was the most important single factor creating significant changes within the internal rate structure of the plant.

It is an important principle of wage fixing, let me add, even with the individual plant, that all of the benefits that arise out of a particular change cannot and ought not go to the workers immediately affected. If they did, there would be no benefits to be spread more widely over the group within

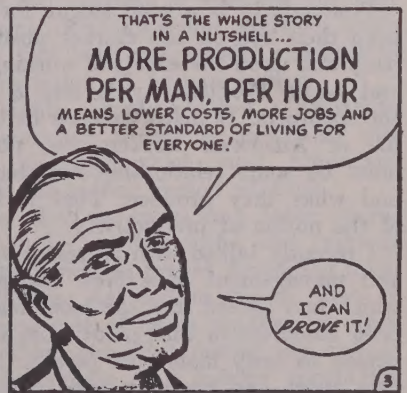
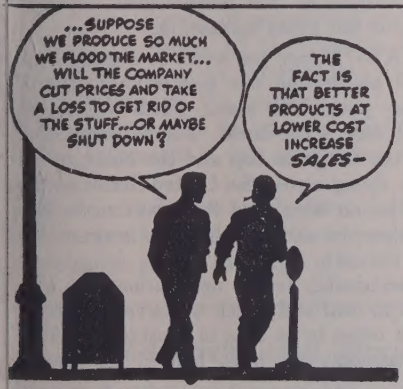
the plant, or in the form of generally lower prices to the community.

Let us turn to the impact of productivity changes upon industry wage differentials or upon the relative levels of wages in different industries. It is fairly well established that over a period of fifteen or twenty years, wage rates will rise most rapidly in those industries in which productivity has been increasing most rapidly. They will rise relatively less in those industries in which productivity is increasing less than the average.

For example, if you look at wage changes since the early 1920s, you will find that wage rates have increased most rapidly in industries like oil and petroleum, chemicals, glass, automobiles—a group of industries in which productivity has risen more rapidly than the average of American industry. And likewise you will find that wages have increased less rapidly than the average in another group of

Bro. Bag Co. and various other companies are distributing to employees a sixteen-page illustrated booklet called "A Better Life For You." It is produced by and available from Harvey Publications, Inc., New York City.

This tells the story of a company that must increase productivity by introducing new machinery when faced with rising production costs. In the excerpts that follow, the father of one of the employees is explaining "more production per man-hour."





industries, furniture for instance, where productivity has in general increased less rapidly than the average.

You will note that these industries where productivity was increasing most rapidly have also been those in which wages tend to be a relatively low percentage of labor costs, where the industry itself has been expanding in employment, and where prices are commonly said to be administered rather than perfectly competitive as the economist uses the term.

Let us look at the third interrelation between wages and productivity, at the general level of the economy. It is well established that over a long period of time, say fifty years, the wage level of the country rises with the level of productivity.

So, summarizing my third general observation, the relationship between wages and productivity ought not to be thought of as one relationship, but as separate ones depending on the wage structure of a plant, the wage levels between industries, and the general level of wages.



4. Productivity in America is in part a slogan. It is a term, a word, a phrase. It is frequently used without very precise meaning. I do not entirely regret that fact. Productivity is a good slogan even though it may provide no automatic formula for wage fixing. I think it is a better slogan, for example, than saying that wages ought to be fixed on a subsistence level, which was a wage doctrine widely accepted at one time. I think it is a better slogan than the notion that wages should constitute a continually rising percentage of the gross national product.

Productivity is a good slogan for management. As the idea becomes widely accepted throughout the community, management is in a position to say people's wages should be increased when they produce more.

Productivity is a good slogan for unions. It helps keep their eye on the market position of the company and upon the effects of working rules on output and costs. Productivity is also a good slogan for the members. It helps to keep before the rank and file of American workers the notion that there must be some relationship between what they get and what they produce. That is the very essence of the notion of productivity.

I recently talked with representatives of the union and management of a New England textile plant which had agreed that the loom load ought to have been increased in that plant from twenty looms per person to forty looms per person. The union's business agent had sincerely tried to persuade a group of 150 ladies, most of them between the ages of

forty and sixty, that they ought to double the number of looms they handled in a day.

I don't know whether anyone could have persuaded this group of old ladies that they could double their work load. It was an impossible assignment for that business agent. He was eventually able to get them to concur to some smaller adjustment in loom load. Looking at that incident, it is plain that we have not gotten the notion of productivity far enough down into the rank and file of employees.

5. In thinking about the relationship between

### Which Comes First—Increased Productivity or Increased Wages?

**MR. DOHERTY:** I regard a wage formula that stipulates an annual wage step-up as an "incentive to increase productivity" as strictly putting the cart before the horse. I regard it very definitely as people jumping on a horse they didn't have, on the theory that by jumping on the horse they could create a speed which didn't exist. . . . And a union which makes a productivity contract of the type of General Motors or Textron, which does not actively seek to promote the adoption of technological improvement and the adaptation of workers to that technological improvement, is not being fair in its bargaining.

**MR. SHISHKIN:** I hope you won't be arguing back home with our people and our people arguing with you, and among yourselves, about which way is the cart and which way is the horse. For heaven's sake, this cart with the fringe on top and the horse are all in a DC 7 now flying across the United States at the rate of 475 miles an hour, and it doesn't make any difference whether the cart is before the horse or the horse is before the cart.

These are inextricably bound up relationships with which we have to deal and which we have to nurture and preserve in order to be able to continue the kind of expanding economy we have had in the United States.

**DR. DUNLOP:** The relation between wages and productivity is not a one-way relation but a complex process of interrelations. . . . Higher productivity permits higher wages, higher fringe benefits or shorter hours. . . . But higher wages may also induce higher productivity.

It is not possible to relate the wage bargain that is made to any estimate of past productivity increases, nor as an act of faith with respect to any particular increase of productivity in the future. The bargain that is struck is collective bargaining pure and simple.

Under contracts like the General Motors-UAW 1950 contract, it is not a significant question whether the 4 cents or 5 cents each year is a reward for an increase in productivity last year, or in anticipation of an increase in productivity next year.



ges and productivity, I know of no single formula that is applicable to all wage fixing. Productivity cannot be used as an absolute rule in particular cases. Other factors—the changes in the cost of living, the competitive position of the individual firm and the industry, and the wages being paid by comparable employers—are all factors which influence the wage rate in a particular plant.

It is a mistake to try to establish an automatic and fixed relationship, except in exceptional circumstances, between wages in the particular plant and the productivity in that plant. In this connection, just a word about the improvement factor. It seems to me that there are only a limited number of companies in the United States in the position to make long-term contracts and only a few union situations where long-term contracts of the General Motors improvement type can be expected to grow.

To summarize:

- The relationship between wages and productivity is not a one-way relationship. Higher productivity permits higher wages, and higher wages may induce higher productivity.
- The relationships are clearer between wages and productivity the longer the period of time considered.
- The relationship of wages and productivity must be viewed in terms of the plant's wage structure, the level of wages in an industry, and the general level of wages in the community.
- Productivity is in part a slogan. As a slogan of value judgment, it is a useful tool in our dynamic economy.
- There can be no single formula for wage determination; productivity does not provide any absolute or automatic guide to wage rates.

### Productivity and Wages— A Management Viewpoint

—Richard P. Doherty—

FROM a bargaining point of view, productivity has been on the bargaining table for many, many years. I believe that the general concept of increased pay for greater output in one form or another, concretely or nebulously, is closely related to the traditional ability-to-pay argument used by unions at the bargaining table for a good many years. I was very interested recently in reading a report of the International Labor Organization on productivity. This tripartite international organization early and specifically enunciated some of the principles with which most Americans very firmly agree. The theme of this particular report of the ILO, report that was intended for distribution to the

### Labor's Share in Increased Productivity

**DR. DUNLOP:** There can be no single formula for wage determination; the doctrine of productivity provides no absolute standards. Productivity in part is a slogan. . . . It is a better slogan than the notion that wages should constitute a continually rising percentage of the gross national product. It seems to me that a rise in the wage rate is a poor way to redistribute income.

**MR. DOHERTY:** Over longer periods of time, employees including management and supervisory employees, and the consuming public tend to inherit virtually all of the gains in productivity per man-hour. A relatively small portion, if any, of the additional gains in productivity goes to the investor. . . . Real wages or money wages have expanded over the long run fully commensurate with any increases in national productivity. Let us add a second point which is frequently overlooked—the additional income which labor is receiving in the form of this package of things called fringes.

**MR. SHISHKIN:** You know the familiar figure of speech applied to increased productivity: the bigger pie with the three-way split—this piece goes to wages, this piece goes to prices, this piece goes to profits. Of course, the truth is that there isn't any pie! Not in a dynamic economy! You don't do things in a static way when you deal with growth. You don't divide any pieces. . . . The record of experience in the United States over an extended period of time . . . is simply this: In our economy the growth of mass markets has been made possible by the translation of productivity gains primarily into wage income.

workers, the governments and the managements of the nations of the world, brings out four major points: (a) that increasing the supplies of consumer goods and capital goods at lower costs and prices is the net result of higher productivity; (b) that higher productivity furthermore is the primary means for raising real earnings of workers; (c) that it improves working conditions and shortens hours of work; and (d) that high productivity strengthens the economic foundation of human welfare.

I think it is highly significant that a tripartite international organization should be preaching this theory and this principle which most Americans have agreed with for a long period of time.

Now, we know that in bargaining table operations there tend to be varying styles and fashions which change from period to period depending upon the economic climate. At certain times there is great emphasis upon cost of living changes; at other times, upon something else. But during the various kinds of economic climate, one fashion constantly

(Continued on page 306)



## A Streamlined Medical Clinic

**W**HEN VISITORS are escorted through the Allen-Bradley Company's two-year-old medical center, it is not unusual for them to start out with polite interest but end up with wide-eyed wonder. Nor are the wide eyes caused by an elaborate and unusual decor or by awe-inspiring physical size and layout.

Instead, what impresses the visitors is the streamlined efficiency of the Lynde Clinic. Its unusual features of construction and equipment are the products of imaginative yet realistic planners who knew what they wanted and what would best solve the problems experienced during the early years of the medical department. There are automatic signal and control devices and an extensive intercommunication system; there are rooms which literally hang in space to avoid vibration from factory floors. Stainless steel and tile are utilized throughout to make the maintenance job as easy as possible.

This twenty-seven-room modern medical center,<sup>1</sup> completed in June, 1951, is not only an eye opener to the visitor but is a source of pride and comfort to the 4,500 employees and officers of the Allen-Bradley Company, a Milwaukee, Wisconsin, manufacturer of electric controlling apparatus. The clinic was named after the late Lynde Bradley, a founder of the company, and had its beginnings as a ten-room medical department instituted in 1942 to replace a first-aid room with a single attendant.

The expansion of the medical department and the broad health program of the company have been developed under the active supervision of a part-time medical director and the director of industrial nursing services. The latter joined the company in 1941 when there were 900 persons employed, and had charge of developing the medical department in its embryo stage. Behind this professional team has been the hand of a management alive to the benefits of a company health program.

The operating details, and the physical layout and equipment of the Lynde Clinic were developed and attained under the medical department team, with help from the architect on matters of physical layout.

### LOCATION

The clinic is located on the fourth floor, midway between top and bottom of the plant, so that it will

<sup>1</sup> The twenty-seven rooms include wash rooms, bathrooms, dark room, etc.

be as easily accessible to those working on the lower floors as to those on the upper.

Its position at one end of the building was chosen for two reasons. First, good lighting was available for the doctors' offices and examination rooms, and, second, it was felt that should a bombing attack occur, the center of the plant would be the prime target.

### PHYSICAL LAYOUT

Among the twenty-seven rooms in the clinic are those for diathermy, hydrotherapy, X ray, massage, and ultraviolet treatments. There are five recovery rooms equipped with hospital beds—all with six-inch airfoam mattresses. The recovery rooms are used for many purposes but are particularly helpful for convalescents, hay fever and asthmatic sufferers. There are treatment rooms, a waiting room, laboratory, doctor's office, storage room, and a nurses' dressing and room combination. Oxygen equipment is available when needed.

Because Allen-Bradley employees are active participants in a well-developed sports program, the hydrotherapy room with its short-wave machines and hydrotherapy tanks is a popular one for treating sore muscles and limbs. The room has three extremity tanks and one body tank. The diathermy room has four machines. Therapeutic treatment is included also, in the massage room where complete gymnastic equipment has been installed for corrective exercises.

So that electrical disturbances will not cause error in the tracings of the machines in the basal metabolism and electrocardiogram room, that area has been lined with copper. Lead lining is used in the X-ray room.

During construction of the clinic, ingenious engineering devices were used to solve problems peculiar to a medical department in industry. One such problem was the vibration from factory operations, which made accurate medical procedures impossible. To surmount this difficulty, three rooms—the medical director's office, the examining room, and surgery—were built so that they rest on bands of steel springs. Layers of fiberglass, concrete and marble form an insulation or shell about the rooms. The ceiling is fastened to suspended metal so that the soundproof rooms are actually hung on this framework. The walls of the rooms are constructed from cinder concrete and wire mesh.



The special construction of these rooms causes a seven-inch difference in the floor level between them and the adjoining part of the clinic, as well as from the surgery to the adjoining factory area. A ramp was constructed to span this difference (see floor plan). To allow the easy entrance of a stretcher, an extra-wide door was built at the ramp leading from the factory area to the surgery. A similar door is installed at the outer entrance at the other end of the clinic near the rooms equipped with hospital beds. Indisposed workers can be brought through this door on stretchers when necessary.

The clinic has its own air conditioning unit as well as its own emergency lighting so that it will be unaffected by mishaps which might occur to the plant's electrical system as a result of the manufacturing operations.

### SIGNAL AND CONTROL DEVICES

Outstanding among the features of the clinic is the wide use of automatic controls, and safety and signal devices. The hydrotherapy tanks, for example, have double safety devices to control the heat of the water. There are occupancy lights outside the recovery rooms. Each treatment room has a signal device so that the patient can summon aid. This light shows up over the door of the room as well as on the signal board in the central office of the clinic and in all halls of the medical center. There are fifteen interclinic communicators for the nurses and doctors, and this communication system extends even to the storage

room. The ultraviolet rooms have control panels with a timer and check timer.

### LABOR-SAVING FEATURES

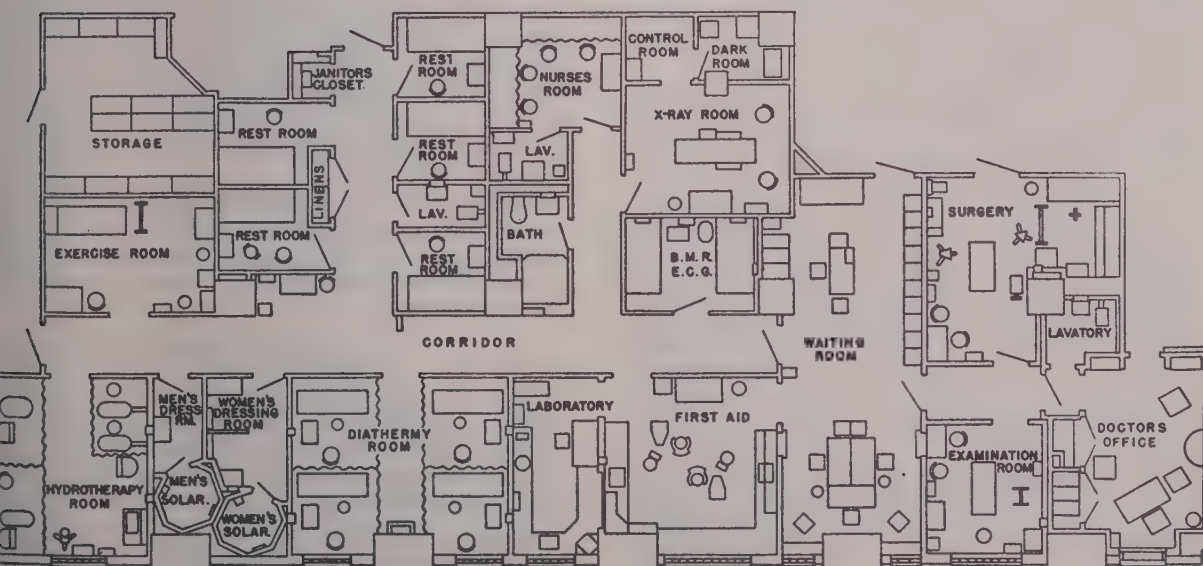
The clinic staff has devised all sorts of labor-saving and space-saving ideas. As already noted, the maintenance task is eased by using stainless steel and tile wherever possible. Stainless steel is used for furniture trim, for equipment containers such as towel boxes and paper cup holders, and even for guards to protect the bottoms of doors. The built-in dresser in the nurses' room is made of tile to match the walls, and there are matching tile shoe racks. Draw drapes of white nylon cover the racks of nurses' clothing in the room.

There are special tape dispensers, a built-in safe for narcotics, and a refrigerator for medicine.

In the storage room, shelves are covered with inlaid linoleum, solving the problem of constantly replacing shelf paper. The walls of the storage rooms are also covered with linoleum. All sinks in the clinic, except drinking water fountains, have foot-operated controls for the convenience of nurses whose hands are occupied applying first aid, holding instruments, medicine, etc.

Sometimes extra flourishes are provided, or will be installed in the future, for the patient's comfort and convenience. In the ultraviolet rooms, for example, weight scales on which the patient can stand during the few minutes he is under the lamps will soon be available. So that the patient may easily read the figures which register his weight, the numbers will be

Floor Plan for the Lynde Clinic





shown directly in front of him on the wall. Scuffs are provided for persons taking the light treatment.

Patients lying on treatment tables in the diathermy room no longer have to stare up at bright ceiling lights while undergoing examinations because indirect lighting has been installed. Infrared lights in the ceiling over the examining couches relieve the chilly discomfort of the undressed patient waiting under a cold sheet to undergo a physical examination.

Sometimes the special installations are for eye appeal, such as the paneled walls in the medical director's office. In this black walnut paneled room, the medical director has records on all persons whom he has examined (these are complete records, requiring confidential treatment; general records are maintained in the main office of the clinic). To the occupant of the room, however, these records are invisible because the files are built in behind the paneled walls.

### OPERATIONS OF THE CLINIC

What about the services of this clinic? How does it operate and just what kind of medical care do employees receive?

Round-the-clock service (there are three working shifts at the plant) is maintained in the Lynde Clinic for the 4,500 persons employed by Allen-Bradley. All persons are encouraged to visit the dispensary for even the slightest ailments. To do so, they ask their supervisors for first-aid slips. And since the supervisors are aware of the vital interest which top management has in the workers' health and of the investment which has been made to insure it, the company says there is no discouraging of employees making visits to the medical department. It is up to the busy clinic staff to discourage such visits if soldiering on the job is discovered as the reason for the visit.

#### Physical Examinations

Preemployment examinations are not required at Allen-Bradley because the factory work is of a light assembly type and physical handicaps, unless severe, are not a detriment to employment. Periodic examinations are encouraged, however, especially for workers over forty years old. They are mandatory for executives.

Before a worker may have a physical examination at the clinic, he must obtain written permission on a prescription pad from his own doctor. The purpose of this is to avoid any charge that the company medical department is usurping the role of the private physician. If the patient's doctor gives this permission, he is asked if he wants a report of the findings or if he prefers the company medical director to interpret the findings and make recommendations. In either case, a copy of the findings is sent to the doctor if he requests it.

Another example of this cooperation between the private practitioner and the company medical department is the procedure followed when a worker has dental appointment for extensive work such as an extraction. If the patient will get an order from his dentist, a plant nurse will give him penicillin injection two days before the extraction and one day following it.

#### Surgical Procedures

In the surgery treatment room, doctors perform repair surgery on industrial injuries and on other surgical cases which do not indicate the need for general anesthetic. Surgical treatment is, of course, elective on the part of the patient, who has free choice of doctors. However, by providing these surgical services on the premises, the company can usually offer quicker service to the injured worker.

### EDUCATING THE WORK FORCE

Giving physical examinations, laboratory and X-ray tests, applying first aid and performing other related medical duties are only part of the routine responsibilities of the clinic's staff. Another important duty is that of educating those who work at Allen-Bradley—executives as well as employees—to the importance of preventive medical care. A book rack service is maintained. Educational movies on subjects pertaining to health care are frequently shown during the lunch hour. Like many other industrial medicine departments, the Lynde Clinic cooperates in community health drives such as cancer detection, hearing examinations, chest X rays, diabetes testing, etc. The clinic also educates the work force to the importance of these drives.

As one phase of the education program, the director of nurses participates each year in classes in human relations which are conducted for management. For two hours each day for one week she leads an open panel discussion designed to educate the supervisor level of management on the health needs of workers. Subjects are varied and range from safety hazards to employee attitudes.

During the first year of occupancy in the new quarters, employees were encouraged to visit the clinic for a general look around to make them more aware of the medical facilities which had been provided for their patronage.

#### DAILY ROUTINE

Now, however, increased use of the clinic and the stress of daily routine business leave little time for visitors. Almost every day the clinic is humming with activity. When the doctors are in and patients start arriving in the waiting room, when nurses are hustling back and forth answering signals from the treatment rooms, administering first aid and picking up inter-



communication calls, this medical department is like any hospital clinic—except, perhaps, that it may be more modern and have more laborsaving devices.

Formality is dispensed with when time of the staff can be saved. In the main waiting room, for example, a cabinet containing skin ointments and protective creams. Since workers are encouraged to use these creams for protection in their work, they are allowed to enter and help themselves at the cabinet without waiting for permission from a nurse.

It is not only the rank-and-file employee who uses the clinic. Executives are frequent visitors, often using the ultraviolet, hydrotherapy and diathermy equipment. An executive who wants only an aspirin or two for a nagging headache must go to the clinic to get it himself. Clinic regulations rule out the possibility of sending a secretary in to pick up medicine for her boss.

### THE STAFF

Three doctors each spend at least six hours at the plant every week. One of these is the medical director, an internist who is paid on a retainer fee by the company; two are industrial surgeons who are paid by the company's insurance carriers. All are subject to call; and the medical director's office is only a few blocks from the plant, as is the hospital with which he is associated.<sup>1</sup> Also on the clinic's panel of doctors who may be called are members of the Milwaukee Medical Society.

The clinic is under the active supervision of the director of industrial nursing services, who has been at the helm of the department since its transformation from a first-aid unit to a full-fledged medical department. She and the medical director report directly to top management. Including the director of nursing services there are five graduate registered nurses, each of whom works an eight-hour, six-day week. In addition, one practical nurse works a forty-five-hour week, and one graduate registered nurse is on call for relief assignments. The remainder of the full-time staff includes a secretary, a medical technologist and two housekeepers.

Two nurses begin work at 7 a.m. and remain on duty until 3 p.m. Another serves from 9 a.m. until 5 p.m., so that she overlaps the second work shift which starts at 3 p.m. Hours for the fourth nurse are 3 p.m. to 11 p.m., and for the fifth, 11 p.m. to 7 a.m.

### A Good Spirit Prevails

Evident in the relationship between the nurses and the patients of the clinic is that element of cordiality and friendliness which is sought after in many company industrial medical departments. The nurses know and recognize many of the 4,500 employees.

<sup>1</sup> The company endows four private rooms at this hospital, and employees may use these rooms paying no extra charge over what their Blue Cross hospitalization provides.

They greet them by first names. They know the brash ones and the shy ones—and those whose ailments are more psychological than physical. They usually recognize when a sympathetic ear does as much to "cure" an employee as care of the real or imagined ailment which has brought him to the clinic. A benefit from visits of this kind, it has been discovered, is that they may provide the opportunity to give complete physical examinations to employees. Such examinations often reveal real physical defects in their early stages.

### BENEFITS

In addition to intangible benefits such as boosting employee morale, there are tangible benefits to be attributed to an industrial medical department.

The Allen-Bradley Company has not tried to compile statistics to demonstrate these measurable benefits but it is known that there has been a cut in absenteeism. There are, for example, 1,600 women employees and the reduction in absenteeism for menstrual reasons has been decisive. With the recovery rooms available in the clinic, women are put to bed for an hour after being given some relieving medication for pain and can then return to the job. It is found less wasteful of time, also, to give physiotherapy in the clinic—to take workers off the job for an-hour-or-so treatment on the premises—than to send them outside the plant to receive physical therapy and lose several hours of work.

Turnover, another measurable factor in figuring benefits of medical departments, is no problem at all at Allen-Bradley. Jobs are sought after in this plant. There are, of course, other employee benefits besides the medical department which are influential reasons for the company's absenteeism and turnover records. Company management feels, however, that its well-developed medical program is an important reason for the low turnover and reduced absenteeism.

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### Management Book Shelf

**Human Factors in Air Transportation—Occupational Health and Safety.**—This volume, a companion piece to a previous work, gives information on various biological and engineering sciences and specifically on problems of air transportation, aviation medicine and flight safety. The publication has 151 illustrations.

Chapters applicable to any industrial field are: operational fatigue, aging, industrial safety and maintenance of physical and psychological fitness. The study applies broad principles of public health and safety to air transportation in particular and to other industries. *By Dr. Ross A. McFarland, Harvard School of Public Health, McGraw-Hill Book Co., Inc., New York 36, New York, 1953, 830 pp.*



# Bulletin Boards vs. Bored Bulletins

**Some companies find their bulletin board programs are a very effective communication medium. Here are some of the reasons for a program's success or failure**

**B**ULLETIN BOARDS are industry's most widely used medium for written communications to employees. Some say that they are also industry's oldest written communication medium. To these statements can be added a third—bulletin boards are also the least exploited of the written communication media.

The failure of a bulletin board program is known to have been caused by such a seemingly unimportant thing as a broken finger nail. But success or failure usually hinges on more fundamental factors. The big difference depends on the point of view which a company takes toward its bulletin boards. Some companies view them with the same detachment as a village postmaster may have toward the "Wanted—Dead or Alive" bulletin board in his post office lobby. Other more communication-minded companies regard bulletin boards as an important part of any well-integrated communication program.

A few companies make the most of the bulletin board potential. But there are clear indications that most companies have only a hazy idea of the role which their bulletin boards might play in their communication programs.

Examination of numerous company bulletin boards points clearly to the fact that such boards provide an efficient means of spreading information quickly, inexpensively and with a minimum of distortion. Frequently, however, bulletin boards fail to measure up to any of these potentials because of shortcomings in the administration of the programs.

## FACTORS CAUSING INEFFECTIVENESS

A common practice in many companies is to set up a number of bulletin boards in what seem to be advantageous locations throughout the plant, and then "let nature take its course." Sometimes a conscientious effort is made to post clearly written notices in an orderly arrangement and to remove old, out-of-date information. But the more usual occurrence is described by poet Richard Armour in the following:

The bulletins on the bulletin board  
Grow tattered and flyspecked and brown,  
For everyone puts the bulletins up  
But nobody takes one down.

In companies where boards of this type were seen, there were indications that at one time, the programs

had been carefully planned but that they had deteriorated over the course of months or years. Several explanations are given for this letdown.

One explanation pins the responsibility, in certain cases, on the management's halfhearted interest in improving or maintaining good communication. An indifferent attitude at the top is eventually sensed by employees in the factory and office. Consequently, the bulletin board director is likely to reflect the apathy of top management by an attitude which he might express in these words: "Why should I try to make the bulletin board an attractive, effective medium if the boss isn't even going to notice all the time and thought I put into it? I can better improve my standing with him by doing the things he will notice and which will make the best impression on him." When this kind of thinking takes place, the bulletin board condition sinks to a new low.

Another explanation suggests that since bulletin boards are a very old communication medium, there is a tendency to follow customs and habits in posting notices and maintaining the boards. Those who offer this explanation say that they have observed a large number of bulletin boards which look just the same today as they did fifty or more years ago when they were originally installed. These companies, they add, are inclined to follow familiar procedures and overlook new ideas for improving the effectiveness of the bulletin boards as a communication medium.

Many companies think of their bulletin boards as a very small operation, even though they may consider it an important one. Because it takes so little time to administer, these companies hesitate to place the bulletin board program in the hands of someone with imagination and a sense of responsibility where such a person can be assigned to a larger, more demanding task. The bulletin board program therefore becomes a stepchild, if not an outright orphan.

Because the bulletin board program is so often thought of as a small operation, responsibility for its upkeep is frequently assigned to an assistant in the office of the person who has the primary responsibility for its administration. Often the assistant is a woman. Interviews with some of these women show that they have a common complaint about the job. Posting notices is a simple task, but prying well-rooted thumbtacks out of the bulletin board scratches their nails.



ish and breaks their nails. As a result, they have less enthusiasm for removing old notices than for posting new ones. Before long, the bulletin board is cluttered and disordered.

### WHAT ATTITUDE GETS BEST RESULTS?

A few companies allow their bulletin boards as much prominence as any other medium in their communication programs. There are several explanations for the amount of time, money and effort they devote to their bulletin boards.

One company points out that even a poorly run bulletin board takes a certain amount of time and energy. And by doubling this time and energy you more than double the board's effectiveness.

Another company spokesman suggests that a bulletin board is like a daily paper. The paper's circulation will reach a high level if its news items are timely, interesting, well written and if other means are used to attract public attention. These are also the things, he says, which increase employee interest in the bulletin board.

Several companies state that they get a greater return for the time, money and energy invested in the bulletin board than from any other communication medium. Bulletin boards are much cheaper per employee exposure than notices published in newspapers, magazines, or even letters addressed directly to employees' homes. With the possible exception of word-of-mouth communications and certain memos, no other medium can reach employees as quickly. And unlike word-of-mouth communications, bulletin boards provide a means for reducing distortion and giving uniformity to the official messages which management frequently wishes to bring to the attention of all employees.

Some believe that the utter simplicity of a bulletin board has pushed it into the background as a communication medium. Employee magazines and newspapers seem to afford greater opportunity for creative expression in the writing of news items and in planning layouts embellished with photographs, art work and color.

But to judge from a few notable examples, bulletin boards give equally wide opportunity for creative expression. Some bulletin boards have powerful eye appeal because of planned use of color, layout, photographs and drawings, and because they are placed in well-travelled aisle or corridor. The material content of the notices also can reach a high standard. And once the bulletin board starts making an impact on the employees, management becomes enthusiastic.

### CLEAR OBJECTIVES INCREASE EFFECTIVENESS

Some companies carefully define the objectives of their bulletin boards. The top executives in these companies are the kind that cultivate an orderly administration by insisting that answers to these ques-

tions be thought through carefully: "Precisely what do we want and expect this program to do for us?" "What type of communications are not suitable for posting on the bulletin boards?"

Absence of such clear-cut objectives is doubtless one of the important reasons why so many bulletin board programs drift into a disordered and neglected state—just as the presence of clear-cut objectives accounts for much of the effectiveness of the outstanding bulletin boards.

The administrator of a bulletin board program is often faced with all kinds of perplexing problems of administration and procedure. His actions will determine whether or not the bulletin board will be an effective communication medium. Decisiveness, consistency and carefully prepared objectives are needed for a successful bulletin board program.

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## Management Book Shelf

**Industry's Nurses and Collective Bargaining: A Statement by the American Association of Industrial Nurses, Inc.—**

This statement presents answers to questions most frequently asked by the industrial nurse regarding her relationship with unions.

The questions concern subjects such as the advisability of a nurse joining a union, how to remain outside the union, how to withdraw from the union, whether union membership means the nurse is automatically represented in collective bargaining with the employer, etc.

Along with the questions and answers in the statement prepared by the association's board of directors, the position of the AAIN on collective bargaining is restated. It is pointed out that at the annual meeting of the group in April, 1949, members voted against the use of the collective bargaining technique for industrial nurses, feeling it would jeopardize the nurse's position with both management and labor. That stand has remained unchanged. *The American Association of Industrial Nurses, 654 Madison Avenue, New York 21, New York.*

**Psychological Aspects of Physical Disability—**This 195-page bulletin is designed for vocational rehabilitation counselors. A few chapter headings are: Team Approach in Rehabilitation and the Psychologist's Role, Psychiatric Aspects of Physical Disability, The Social Psychology of Adjustment to Physical Disability, Acceptance of Loss-Amputations and Facial Disfigurement. *Edited by James F. Garrett, Ph.D.; published as Rehabilitation Service Series No. 210, Office of Vocational Rehabilitation, Federal Security Agency, 1953, 45 cents.*

THE CONFERENCE BOARD does not take orders for the books listed. Please order from your bookseller or from the publisher.



# Management and the Industrial Nurse

**W**HAT IS management's relationship with the industrial nurse? To whom does the nurse report on administrative matters, for example? What are the factors which should determine the amount of her salary? What should be her working relationship with supervisors and other members of line management? Should there be definite written policies under which she and other members of the medical department will function? And are her functions understood by other members of the organization?

These are a few of the questions which face management in setting up policies and practices governing its relationship with the industrial nurse. To help provide some answers to these questions, the management advisory council of the American Association of Industrial Nurses, Inc., has prepared "A Statement of Principles To Govern Management Relationships with the Industrial Nurse." This advisory council is comprised of fifteen top management persons from different companies, large and small, located in various areas of the United States.

The statement follows.

## 1. Professional Responsibilities

Management should organize its health services with full recognition of the legal, ethical, and professional principles of medical nursing services in industry.<sup>1</sup> [See next page.]

Management should arrange for a physician to have responsibility for the medical program in the plant. Such a physician may be employed on a full-time, part-time, per diem, or on-call basis, depending upon the size of the plant and other considerations. Provision should be made for the industrial nurse to act under the direction of such physician and be responsible to him for her professional activities which have to do with the practice of medicine.

The industrial nurse should not be called upon to give service or to make decisions upon professional matters involving the practice of medicine which do not properly fall within the field in which she is licensed to practice.

## 2. Administrative Responsibilities

Management should see that the industrial nurse knows to whom she reports administratively. Where the medical program is in charge of a full-time physician, management may provide that the industrial nurse will report to such physician on administrative matters as well as those of a medical or professional nature.

<sup>1</sup> See appended statement prepared jointly by the American Association of Industrial Nurses, the Industrial Medical Association, and the Council on Industrial Health of the American Medical Association.

In cases where a physician, even though part-time, has the status of an employee and spends regularly scheduled hours in the plant, management may provide that the industrial nurse report to him administratively during the time he is in the plant.

In all situations management should establish definite administrative responsibilities so that the industrial nurse will know the physician or other member of management to whom she reports and who has the authority to make administrative decisions.

Where certain administrative responsibilities may be delegated to a nurse in charge (i.e., where more than one nurse is employed), management should clearly establish the extent of her responsibilities.

## 3. Relationship of the Industrial Nurse to Supervisors and Other Members of Line Management

The relationship of the industrial nurse to supervisors and other members of line management must of necessity be maintained on a staff service or advisory basis. Thus, the industrial nurse should never assume authority to initiate action or overrule orders on matters properly subject to the decision of foremen or other members of line management. In dealing with employees, she should utilize every opportunity to work through the immediate supervisor concerned but her right and obligation to appeal to higher levels of management when she feels that any decision of supervision will react to the detriment of employee health and the best interests of the company should be clearly established.

## 4. Policies

Management should establish definite written policies under which the medical program is to function. The industrial nurse and the physician to whom she has professional responsibility should participate in the formulation of such policies.

## 5. Contribution of the Industrial Nurse to Employee Morale and Community Relations

Management should recognize that the industrial nurse because of her professional status and the type of service she provides, is in an excellent position to make an important contribution to teamwork, harmony, and employee morale in the organization, and to the development of good relations in the community.

## 6. Filling Openings

Management should fill openings in industrial nursing positions with careful attention to the training, experience, and personal qualifications required to maintain high standards of performance in this specialized field.



## Rates of Pay

Management should establish a rate of pay for the industrial nurse in keeping with her status in the organization and her contribution she makes. Her rate of pay should give recognition to the years of training required in her profession, the experience she has had, and the responsibility she assumes.

It is natural to compare salary scales for industrial nurses with those for other nurses employed in the community. However, the salary of the industrial nurse should not be determined on the basis of this factor alone. It should be recognized that her salary should also bear a proper relationship to salaries paid for positions of comparable responsibility in the company, and should be set at a level above that of positions of lesser responsibility.

Provision should be made for pay adjustments based upon individual merit as the nurse gains experience and increases her value to the company.

The nurse employed in industry has a professional position, but she also is a salaried employee with duties, responsibilities, privileges and benefits quite similar to those of other salaried employees. Management should see that she understands the importance and advantages of this identity with the company and with the employee group to which she belongs.

The industrial nurse should be given full information on company policies and procedures applicable to her job, e.g., salary and the opportunities for advancement, vacation, holiday pay, overtime pay, disability pay, group life insurance, sickness and accident insurance, Blue Cross and Blue Shield plans, retirement plans, and similar programs.

## Professional Advancement

Management should encourage the advancement and development of the industrial nurse in her profession. This can be done through membership in professional associations at the local, state, and national level, through attendance at conferences, institutes, workshops, and university classes. The industrial nurse may be called upon to serve as an officer or committee member in her professional association. Management should recognize that acceptance of such responsibilities aids in the development of the industrial nurse and contributes to the advancement of professional standards.

The same policies and practices should apply to the nurse that govern other professional and management employees: (1) participation and service in professional organizations and meetings, thereof; (2) the payment of dues. (3) time off with pay to attend such meetings; and (4) payment of expenses in connection therewith.

## In-Service Training

Management should see that the functions of the industrial nurse are properly understood by those in the organization with whom she deals. Such understanding can be facilitated through a discussion of the medical program and the work of the industrial nurse in training conferences, and through articles in company publications.

It should also be recognized that the industrial nurse will be more effective in the performance of her work if she has the benefit of any in-service training courses which would

broaden her knowledge and understanding of the company's activities.

## 10. Discussion of Any General or Individual Problems

The member of management to whom the industrial nurse has administrative responsibility should initiate conferences at periodic intervals with the industrial nurse to determine how the program is functioning and to discuss any general or individual problems which may have developed.

## 11. Maintaining the Professional Status of the Industrial Nurse in the Organization

Management should aid the industrial nurse by supporting her impartial decisions and protecting her professional status.

The industrial nurse occupies an unusual position in the organization. The nature of the service she renders hinges on respect and confidence. Her decisions, like those of the physician, therefore, must be based on factual information, and must be absolutely impartial. She serves management best when her primary concern is for the health of the employee.

Her decisions should be made on a professional basis, and the integrity of decisions made on that basis should be maintained.

The objectivity and impartiality of the industrial nurse should be protected by shielding her from the pressures of labor-management controversies. Any grievance or argument which may arise should be handled by other management representatives who have responsibility for answering such issues and complaints.

## ESSENTIALS OF MEDICAL NURSING SERVICE IN INDUSTRY

The following statement has been prepared jointly by the American Association of Industrial Nurses, the Industrial Medical Association, and the Council on Industrial Health of the American Medical Association to clarify legal and ethical principles of medical nursing services in industry, both for members of interested professional organizations and for industrial employers providing any of the listed health services.

- I. The Value of Physicians and Nurses in Industry Depends Upon:
  - A. Training, experience and aptitude.
  - B. A position of authority in the industrial organization.
  - C. Good rapport with workers.
  - D. Good relations with their professional colleagues.
  - E. Thorough knowledge of work environment and processes.
  - F. Effective use of community health resources.
- II. A Health Service in Industry Should Provide:
  - A. A safe, healthful work place.
  - B. Health counseling and health education.
  - C. Personal medical services as required for:
    1. Observance of laws, codes and health regulations.
    2. Emergency medical care.
    3. Health conservation.
    4. Job placement.

(Continued on page 316)



# Significant Labor Statistics

| Item   | Unit              | 1953     |          |          |          |         |         | 1952    | Year Ago | Percentage                       |  |
|--|-------------------|----------|----------|----------|----------|---------|---------|---------|----------|----------------------------------|--|
|  |                   | June     | May      | Apr.     | Mar.     | Feb.    | Jan.    | Dec.    |          | Latest Month over Previous Month |  |
| Consumers' Price Index <sup>1</sup>          |                   |          |          |          |          |         |         |         |          |                                  |  |
| All items.....                               | Jan. 1939=100     | 181.2    | r 180.1  | 179.4    | 179.5    | 179.0   | 180.4   | 180.9   | 180.8    | +0.6                             |  |
| Food.....                                    | Jan. 1939=100     | 231.3    | r 228.5  | 227.5    | ro 229.1 | m 228.7 | 233.2   | 236.1   | 240.5    | +1.2                             |  |
| Housing.....                                 | Jan. 1939=100     | 131.2    | r 131.0  | 128.9    | 128.9    | 128.8   | 128.2   | 127.6   | 124.9    | +0.2                             |  |
| Clothing.....                                | Jan. 1939=100     | 150.9    | 150.8    | 150.7    | 150.8    | 150.6   | 150.6   | 150.6   | 151.0    | +0.1                             |  |
| Men's.....                                   | Jan. 1939=100     | 167.9    | 167.8    | 167.4    | 167.5    | 167.7   | 167.4   | 167.4   | 168.3    | +0.1                             |  |
| Women's.....                                 | Jan. 1939=100     | 136.3    | 136.4    | 136.4    | 136.6    | 136.1   | 136.3   | 136.3   | 136.2    | -0.1                             |  |
| Fuels.....                                   | Jan. 1939=100     | 138.4    | r 138.5  | r 140.7  | 140.9    | 140.8   | 141.1   | 140.5   | 133.9    | -0.1                             |  |
| Electricity.....                             | Jan. 1939=100     | 93.4     | 93.4     | 93.4     | 93.4     | 93.4    | 93.4    | 93.4    | 91.4     | 0                                |  |
| Gas.....                                     | Jan. 1939=100     | 104.1    | r 104.1  | r 104.1  | r 104.0  | 103.8   | 103.9   | 103.0   | 102.9    | 0                                |  |
| Housefurnishings.....                        | Jan. 1939=100     | 163.9    | 164.5    | 164.6    | 164.7    | 164.6   | 163.7   | 165.7   | 165.6    | -0.4                             |  |
| Sundries.....                                | Jan. 1939=100     | 178.5    | r 178.1  | r 177.7  | 175.9    | 175.0   | 174.9   | 173.8   | 171.1    | +0.2                             |  |
| Purchasing value of the dollar.....          | Jan. 1939 dollars | 55.2     | 55.5     | 55.7     | 55.7     | 55.9    | 55.4    | 55.3    | 55.3     | -0.5                             |  |
| All items (BLS).....                         | 1935-1939=100     | a 190.9  | a 188.8  | a 188.3  | a 188.8  | a 188.6 | a 190.3 | a 191.0 | a 191.1  | +1.1                             |  |
| Employment Status <sup>2</sup>               |                   |          |          |          |          |         |         |         |          |                                  |  |
| Civilian labor force.....                    | thousands         | 64,734   | 62,964   | 62,810   | 63,134   | 62,712  | 62,416  | 62,921  | 64,390   | +2.8                             |  |
| Employed.....                                | thousands         | 63,172   | 61,658   | 61,228   | 61,460   | 60,924  | 60,524  | 61,509  | 62,572   | +2.5                             |  |
| Agriculture.....                             | thousands         | 7,926    | 6,390    | 6,070    | 5,720    | 5,366   | 5,452   | 5,697   | 8,170    | +24.0                            |  |
| Nonagricultural industries.....              | thousands         | 55,246   | 55,268   | 55,158   | 55,740   | 55,558  | 55,072  | 55,812  | 54,402   | n                                |  |
| Unemployed.....                              | thousands         | 1,562    | 1,306    | 1,582    | 1,674    | 1,788   | 1,892   | 1,412   | 1,818    | +19.6                            |  |
| Wage Earners <sup>3</sup>                    |                   |          |          |          |          |         |         |         |          |                                  |  |
| Employees in nonagr'l establishm'ts.....     | thousands         | p 49,361 | r 49,042 | r 48,854 | r 48,685 | 48,369  | 48,382  | 50,140  | 47,418   | +0.7                             |  |
| Manufacturing.....                           | thousands         | p 17,179 | r 17,054 | r 17,081 | r 17,135 | 17,013  | 16,884  | 16,952  | 15,624   | +0.7                             |  |
| Mining.....                                  | thousands         | p 835    | 829      | 833      | 846      | 856     | 866     | 870     | 816      | +0.7                             |  |
| Construction.....                            | thousands         | p 2,579  | r 2,485  | r 2,410  | r 2,301  | 2,280   | 2,303   | 2,497   | 2,690    | +3.8                             |  |
| Transportation and public utilities.....     | thousands         | p 4,315  | r 4,281  | r 4,242  | r 4,235  | 4,210   | 4,210   | 4,293   | 4,225    | +0.8                             |  |
| Trade.....                                   | thousands         | p 10,378 | r 10,332 | r 10,308 | r 10,284 | 10,214  | 10,233  | 11,218  | 10,144   | +0.4                             |  |
| Finance.....                                 | thousands         | p 2,048  | r 2,026  | 2,015    | 1,993    | 1,977   | 1,969   | 1,978   | 1,972    | +1.1                             |  |
| Service.....                                 | thousands         | p 5,413  | r 5,366  | 5,312    | 5,225    | 5,194   | 5,192   | 5,237   | 5,360    | +0.9                             |  |
| Government.....                              | thousands         | p 6,614  | r 6,669  | r 6,653  | r 6,666  | 6,625   | 6,675   | 7,095   | 6,587    | -0.8                             |  |
| Production and related workers in manuf'g    |                   |          |          |          |          |         |         |         |          |                                  |  |
| Employment                                   |                   |          |          |          |          |         |         |         |          |                                  |  |
| All manufacturing.....                       | thousands         | p 13,820 | r 13,718 | r 13,762 | r 13,831 | 13,733  | 13,619  | 13,699  | 12,476   | +0.7                             |  |
| Durable.....                                 | thousands         | p 8,237  | r 8,193  | r 8,212  | r 8,211  | 8,115   | 8,020   | 8,010   | 7,065    | +0.5                             |  |
| Nondurable.....                              | thousands         | p 5,583  | r 5,525  | r 5,550  | r 5,620  | 5,618   | 5,599   | 5,689   | 5,411    | +1.0                             |  |
| Average weekly hours                         |                   |          |          |          |          |         |         |         |          |                                  |  |
| All manufacturing.....                       | number            | p 40.7   | r 40.7   | 40.8     | 41.1     | 40.9    | 41.0    | 41.7    | 40.5     | 0                                |  |
| Durable.....                                 | number            | p 41.5   | r 41.5   | 41.6     | 41.9     | 41.7    | 41.8    | 42.5    | 41.2     | 0                                |  |
| Nondurable.....                              | number            | p 39.6   | 39.5     | 39.5     | 40.0     | 39.8    | 39.8    | 40.5    | 39.5     | +0.3                             |  |
| Average hourly earnings                      |                   |          |          |          |          |         |         |         |          |                                  |  |
| All manufacturing.....                       | dollars           | p 1.77   | r 1.76   | 1.75     | 1.75     | 1.74    | 1.74    | 1.73    | 1.65     | +0.6                             |  |
| Durable.....                                 | dollars           | p 1.87   | r 1.86   | 1.85     | 1.85     | 1.85    | 1.84    | 1.83    | 1.74     | +0.5                             |  |
| Nondurable.....                              | dollars           | p 1.60   | 1.60     | 1.59     | 1.59     | 1.58    | 1.58    | 1.57    | 1.53     | 0                                |  |
| Average weekly earnings                      |                   |          |          |          |          |         |         |         |          |                                  |  |
| All manufacturing.....                       | dollars           | p 72.04  | r 71.63  | 71.40    | 71.93    | 71.17   | 71.34   | 72.14   | 66.83    | +0.6                             |  |
| Durable.....                                 | dollars           | p 77.61  | r 77.19  | 76.96    | 77.52    | 77.15   | 76.91   | 77.78   | 71.69    | +0.5                             |  |
| Nondurable.....                              | dollars           | p 63.36  | 63.20    | 62.81    | 63.60    | 62.88   | 62.88   | 63.59   | 60.44    | +0.3                             |  |
| Straight time hourly earnings.....           |                   |          |          |          |          |         |         |         |          |                                  |  |
| All manufacturing.....                       | dollars           | e 1.71   | r 1.70   | 1.69     | 1.68     | 1.68    | 1.67    | 1.65    | 1.60     | +0.6                             |  |
| Durable.....                                 | dollars           | e 1.80   | r 1.79   | 1.78     | 1.77     | 1.77    | 1.76    | 1.75    | 1.68     | +0.6                             |  |
| Nondurable.....                              | dollars           | e 1.56   | 1.56     | 1.55     | 1.54     | 1.54    | 1.53    | 1.51    | 1.49     | 0                                |  |
| Turnover rates in manufacturing <sup>3</sup> |                   |          |          |          |          |         |         |         |          |                                  |  |
| Separations.....                             | per 100 employees | 4.2      | r 4.4    | 4.3      | 4.1      | 3.6     | 3.8     | 3.4     | 3.9      | -4.5                             |  |
| Quits.....                                   | per 100 employees | 2.5      | 2.7      | 2.7      | 2.5      | 2.2     | 2.1     | 1.7     | 2.2      | -7.4                             |  |
| Discharges.....                              | per 100 employees | 0.4      | 0.4      | 0.4      | 0.4      | 0.4     | 0.3     | 0.3     | 0.3      | 0                                |  |
| Layoffs.....                                 | per 100 employees | 1.0      | 1.0      | 0.9      | 0.8      | 0.8     | 0.9     | 1.0     | 1.1      | 0                                |  |
| Accessions.....                              | per 100 employees | 5.1      | r 4.1    | 4.3      | 4.3      | 4.2     | 4.4     | 3.3     | 4.9      | +24.4                            |  |

<sup>1</sup> THE CONFERENCE BOARD  
<sup>2</sup> Bureau of the Census  
<sup>3</sup> Bureau of Labor Statistics

a Adjusted indexes:  
Dec., 190.7; Jan., 190.4; Feb., 189.6; Mar., 189.9; Apr., 190.1; May, 190.6; June, 191.4  
Year ago, 189.6  
m Based on food prices for February 12, 1953  
n Less than .05  
o Based on food prices for the week of Mar. 15

e Estimated  
p Preliminary  
r Revised

New revised BLS index—1947-1949 = 100.  
Jan., 1953, 113.9; Feb., 113.4; Mar., 113.6; Apr., 113.7; May, 114.9; June, 114.5



## WHITHER THE CIO?

AS CIO President Walter Reuther set off for Europe, a series of events gave some substance to rumors of pending mergers of CIO unions. Here are some of the events and intimations of possible coming events that gave Walter Reuther some unwelcome going-away presents.

• **Steelworkers**—David McDonald, president of the 1.5-million-member CIO Steelworkers and leader of the anti-Reuther forces within the CIO, paid a two-hour “social call” on John L. Lewis, Mr. Reuther’s enemy within labor. Neither Mr. Lewis nor Mr. McDonald disclosed the subject matter of their talk. Speculation centered on three possibilities: (1) Mr. McDonald might take the Steelworkers out of the CIO and join with John L. Lewis as a third force in the labor movement; (2) Mr. Lewis and his 500,000 Mine Workers might re-enter the CIO, and, because of the close vote electing Walter Reuther president of the CIO at the 1952 convention,<sup>1</sup> supply the votes needed to depose him; (3) Mr. Lewis and Mr. McDonald might go over to the AFL. A fourth speculation is that Mr. McDonald’s visit might have been just a social call.

• **Brewery Workers**—While eyes focused on the Lewis-McDonald “social call,” there came a series of reports that the CIO Brewery Workers were talking merger with the AFL Teamsters. While the CIO promptly denied this, it sent its new executive vice-president a few days later to a meeting of the CIO Brewery Workers’ general executive board at Cincinnati to ask the union to stay within the CIO fold.

The proposed merger fell through. Teamster President Dave Beck says that he agreed that both CIO Brewery Worker President Karl Feller and Secretary-Treasurer Charles Linberg would receive jobs in the Teamsters’ brewery division if they would bring their whole union into the Teamsters intact. But after making this deal, Mr. Beck says he ascertained from local Brewery Worker union officials that they did not believe Mr. Feller could deliver the whole union and that they objected to his attempt

“to horse-trade Brewery Workers’ interests to guarantee salaried employment for Feller.” CIO Brewery Worker President Karl Feller denied that he or other national officials are interested in “so-called lush jobs” that might come from a possible merger. He said that the question of a Teamster-Brewery Worker merger would be put up to a special convention of the Brewery Workers called for that purpose.

While the proposed merger was not consummated, a number of powerful CIO Brewery Worker locals have switched affiliation to the AFL Teamsters. First to switch were seven New York locals (Locals 1, 23, 24, 59, 69, 96 and 345, some of which have left-wing leadership), with a total of 6,250 members, and a Utica local with approximately 500 members. Other locals that may switch to the AFL Teamsters are the Buffalo, Rochester, Pittsburgh, Philadelphia, Chicago and Toronto locals. If all these locals switch affiliation to the AFL Teamsters it would be a loss of approximately 16,000 members (25%) of the CIO Brewery Workers’ 62,000 members.

Meanwhile CIO President Walter Reuther issued a statement in Stockholm protesting the Teamster “raids” on the CIO, saying that these violated the spirit of the recently negotiated AFL-CIO no-raid agreement.<sup>1</sup>

• **Packinghouse Workers**—A long-discussed merger of the CIO Packinghouse Workers with the AFL Amalgamated Meat Cutters and Butcher Workmen advanced one step further with the signing of an agreement by both unions calling for joint action covering everything from collective bargaining to strikes. The agreement provides for “joint meetings of the negotiating committee of both unions” to arrange for collective bargaining with the “big four” meat packing companies. For companies other than the “big four,” the agreement provides that where the two unions have contracts with the same company every effort shall be made for joint bargaining, and, where “reasonable and practicable,” joint strike action. Both unions also made a flat pledge not to raid the other.

The CIO in the meantime had set up a three-man committee to inquire into communist influence in the CIO Packinghouse Workers. The committee mem-

<sup>1</sup>For account of the 1952 CIO convention, see “CIO Elects Reuther—Sets ‘53 Program,” December, 1952, *Management Record*, p. 461.

<sup>1</sup>For details of the agreement, see July, 1953, *Management Record*, p. 256.



bers were David J. McDonald of the Steelworkers, Jacob S. Potofsky of the Amalgamated Clothing Workers and L. S. Buckmaster of the United Rubber Workers. The existence of left-wing locals in the CIO Packinghouse Workers may, according to some observers, develop a possible hitch in any merger talks.

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• **Utility Workers**—Also mentioned prominently in some labor papers<sup>1</sup> is a possible merger of the CIO Utility Workers with the AFL Electrical Workers. The officials of these two unions have already met twice. The Utility Workers have, of late, had considerable affinity for the AFL union and have been strongly opposed to Walter Reuther. They have clashed with him publicly and are opposed to his and the CIO's support of public power projects.

• • •

• **CIO Electrical Workers**—Still in the rumor stage is a possible merger of the CIO Electrical Workers with the CIO Auto Workers, according to one group of labor observers. This would keep them in the CIO fold. Other labor observers point out that there are factions within the IUE-CIO that would like to take the union over to the AFL Electrical Workers. Labor observers close to the IUE-CIO leadership strongly discount both these possible mergers.

## NLRB Bars Separate Negro Unit

The NLRB in a recent case turned down a union request for a separate Negro unit and established instead one unit covering both white and colored workers. It also warned the two AFL unions involved, the Boilermakers and the Teamsters, that in the event they did not accord equal representation to all employees in the unit the NLRB could "rescind its certification."

The story behind the NLRB's ruling is as follows. In 1946, Andrews Industries, Inc. of St. Louis, Missouri, recognized the AFL Boilermakers' union as the bargaining representative of all its production and maintenance employees and executed a contract requiring union membership as a condition of employment. One of the workers was ineligible to join the Boilermakers' union because he was a Negro, and therefore he did not become a member. However, he was permitted to continue his employment and received the same benefits afforded other employees under the contract.

In 1950 the employer purchased another company whose white and colored employees were absorbed into the unit represented by the Boilermakers' union. The new colored employees, as in the past, continued to work and receive the same benefits as the white employees but did not become members of the union.

<sup>1</sup> *The Paper Maker*, International Brotherhood of Paper Makers, AFL.

During the latter part of 1950, white employees complained to the employer that Negro employees should belong to the union. The employer contacted the Boilermakers' business manager, who brought in the business agent of the AFL Teamsters' union. The employer introduced the Teamsters' agent to his four colored employees, who were classified as tire and utility men, porters, and maintenance men. All of the Negro employees enrolled in the Teamsters union.

Then, following a consent election among these colored employees on December 6, 1950, the AFL Teamsters' union was certified as their bargaining representative. No separate contract was executed covering the colored employees, the Teamsters' union agreeing to go along with the Boilermakers' current contract.

In subsequent negotiations, the Teamsters signed no separate contracts for the unit they represented. The Teamsters either agreed to go along with the terms negotiated by the Boilermakers or were willing to have their agreement become part of the Boilermakers' contract.

### Employer Requested Single Unit

The employer filed a petition for a unit of all employees at his St. Louis, Missouri, plant. Both the AFL Boilermakers and the Teamsters opposed the employer's petition, asserting, "that in view of the past bargaining history, only separate units of the white and colored employees are appropriate." The NLRB upheld the employer and turned down the unions' request for two separate units, saying "the difference in the race of the employees involved is obviously no justification for separate units."

The NLRB gave the unions involved these options in the election:

1. The Boilermakers' union and the Teamsters' union may appear on the ballot as joint representatives.
2. They may go on the ballot separately.
3. If either union does not desire to participate in the election it will be permitted to withdraw.

The NLRB laid down this condition if the union decided to appear on the ballot jointly: "If they win the Boilermakers and Teamsters shall bargain jointly for all employees as a single unit. In the event equal representation is not accorded all employees in the unit, then the board can, of course, rescind its certification."

## Six Airlines Sign Joint Contract

The airline industry's first joint contract was signed by the International Association of Machinists, AFL and Eastern, Capital, National, Northwest, Trans-



World and United airlines. A six-year campaign by the IAM for industry-wide agreements in airlines culminated in this master agreement. It provides for a 1-cent hourly wage increase, retroactive to January 1, 1953, for the 20,000 maintenance mechanics, ground crews and other personnel of the six airlines involved in the dispute.

In addition to the across-the-board raise, the agreement provides for a new bonus rate of 7 cents an hour or work on the second shift and 12 cents for work on the third shift. This is an increase of 2 cents an hour in the shift differential. Previously, all airlines but Eastern have paid 5-cent and 10-cent shift differentials. Now all will meet Eastern's rate.

In the airline industry, negotiations with the IAM have heretofore been conducted separately for each line. Negotiations for the airline industry's first multi-employer airline agreement were conducted under the supervision of the National Mediation Board.

## Strikes in May

Strike idleness rose to 3 million man-days in May as against 2.5 million in April, according to the Bureau of Labor Statistics. The May, 1953, figure, however, is substantially lower than the May, 1952, figure of more than 8 million man-days of strike idleness. Strike idleness for the first five months of 1953 (8,850,000 man-days) was only one half as large as the figure for the comparable 1952 period (17,700,000).

Strikes in effect, including those carried over from previous months, also increased slightly in May, rising to 750. Of these, 525 were new disputes that began in May and involved a total of 270,000 workers.

## Strike Statistics<sup>1</sup>

| Period                        | Work Stoppages Beginning in Period |                                 | All Stoppages in Effect During Period |                                 |                       |   |
|-------------------------------|------------------------------------|---------------------------------|---------------------------------------|---------------------------------|-----------------------|---|
|                               | Number                             | Workers Involved (in Thousands) | Number                                | Workers Involved (in Thousands) | Man-days Idle         |   |
|                               |                                    |                                 |                                       |                                 | Number (in Thousands) | Per Cent of Estimated Working Time (All Industries) |
| May 1953 <sup>p</sup> .....   | 525                                | 270                             | 750                                   | 370                             | 3,000                 | .34   |
| April 1953 <sup>p</sup> ..... | 500                                | 275                             | 700                                   | 350                             | 2,500                 | .27   |
| May 1952 .....                | 518                                | 363                             | 800                                   | 1,200                           | 8,020                 | .96   |
| May 1951 .....                | 440                                | 166                             | 621                                   | 249                             | 1,820                 | .21   |
| May 1950 .....                | 485                                | 354                             | 723                                   | 508                             | 3,270                 | .44   |
| May 1947-49 (average) ..      | 420                                | 210                             | 670                                   | 450                             | 4,750                 | —   |
| January to May:               |                                    |                                 |                                       |                                 |                       |   |
| 1953 <sup>p</sup> .....       | 2,175                              | 1,045                           | 2,325                                 | 1,095                           | 8,850                 | .20   |
| 1952 .....                    | 2,326                              | 2,110                           | 2,456                                 | 2,150                           | 17,700                | .42   |
| 1951 .....                    | 1,951                              | 872                             | 2,102                                 | 895                             | 8,630                 | .21   |
| 1950 .....                    | 1,644                              | 825                             | 1,764                                 | 960                             | 21,700                | .62   |
| 1947-49 (average) ....        | 1,649                              | 1,060                           | 1,767                                 | 1,090                           | 16,300                | —   |

Source: Bureau of Labor Statistics

<sup>p</sup> Preliminary estimates.

<sup>1</sup> All known work stoppages arising out of labor-management disputes, involving six or more workers and continuing a full day or shift or longer are included. Figures on "workers involved" and "man-days idle" cover all workers made idle for one shift or longer in establishments directly involved in a stoppage. They do not measure the indirect or secondary effects on other establishments or industries whose employees are made idle as a result of material or service shortages.

## No Grievance Fees, Says NLRB

In its first decision on the issue, the National Labor Relations Board ruled by a three-to-two vote that a certified union may not charge nonmembers a fee for processing their grievances. The NLRB said that charging such a fee constitutes such disparate treatment of nonmembers as to be grounds for revoking the union's certification.

The NLRB ruling was made in a case involving the Independent Metal Workers' Union at the Hughes Tool Company, Houston, Texas. The independent union established a fee system in 1952, charging nonmembers \$15 for handling a grievance through the ordinary procedure of the contract and \$400 to take a grievance through formal arbitration. The NLRB ordered the union's bargaining certification revoked unless it stopped this practice within ten days.

Unfair labor practice charges alleging that the independent union's fees violate Section 8(b) (1) (A) of the Taft-Hartley Act are pending with the NLRB regional office in Texas. However, the board did not rule whether or not the charging of such fees constitutes an unfair labor practice under the law.

Objections to the independent union's fee system were brought before the board by the International Association of Machinists, AFL. The AFL Machinists were a party to the NLRB election in which the independent union won its certification in 1950. The Machinists contended that charging a nonunion worker a grievance fee constituted abuse of the union's status as exclusive bargaining representative of the employees. The independent union contended that the purpose of the nonmember fee was to distribute the cost of grievance proceedings and to discourage the filing of unfounded grievances by nonmembers.

The NLRB ruling was made by a majority of board members. In the minority opinion, NLRB Chairman Paul M. Herzog and board member Ivan H. Peterson dissented on procedural grounds. They said the board exceeded its authority in that it proposed "the unusual step of forcing the independent to abandon this conduct without first determining, through the pending unfair labor practice proceeding, whether or not it actually violates any of the standards which Congress established."

JAMES J. BAMBRICK, JR.  
Division of Personnel  
Administration



## PENSIONS AND OTHER BENEFITS

### Group Insurance Extends Its Coverage

The statistics on group insurance benefits, which are compiled annually by the Life Insurance Association of America, reveal a healthy growth in all types of benefits for the year 1952.<sup>1</sup> The total number of employees covered by group life insurance rose to 22,873,000, which is approximately twice as many as in 1945. Weekly accident and health benefits exhibited only a small increase over 1951, with a coverage of 17,623,000, but the number is three times as great as in 1945, when 5,921,360 were so protected.

Increases in the field of medical benefits are greater in proportion than for other group insurance benefits. In 1952, 12,959,000 employees had group hospital insurance, compared with 12,132,000 in 1951. Surgical benefits registered a greater gain—the number of employees covered increasing from 12,586,000 in 1951 to 13,617,000 in 1952. Dependents' coverages for these two benefits increased from 14,531,000 to 16,450,000 and from 13,790,000 to 15,959,000, respectively.

Major medical expense plans underwritten on a group basis numbered 420 in 1952, with a coverage of 289,000 individuals. This form of coverage for employees' dependents was found in 400 companies and included 243,000 individuals.

### Left-Wing Union Takes Pension Cut

The Fur and Leather Workers' union, which was evicted from the CIO for communist domination, has consented to have pension payments reduced from \$50 to \$35 a month. Union members will also be required to have a service record of thirty years instead of twenty-five to be eligible. Reason for the cut: precarious condition of the pension fund and the unfavorable situation in the fur industry.

### News of Union Welfare Funds

The Bureau of Internal Revenue has ruled against some phases of the United Mine Workers' welfare fund. The details of the ruling were not made public but the broad outlines of the decision are known. The major obstacle in obtaining BIR approval is that while a number of different benefits are provided, they all

come from the same fund. To qualify for BIR approval, separate funds should be set up for pension and for other welfare benefits. Because the fund fails to qualify, the income on investments in the fund is subject to tax.

The United Mine Workers' bituminous welfare fund is financed by employer contributions of 40 cents on each ton of bituminous coal mined. Since the first pension agreement in 1946 to the middle of 1953 about \$500 million have been distributed in benefit to approximately one million miners and their families

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The first pensions have been paid under the CIO Textile Workers Union's dyers and printers pension fund. Three hundred and sixty-six workers in the printing and dye industry in the New York-New Jersey area received checks from the fund which was started five years ago.

\* \* \*

The pension plan negotiated by shipowners and the National Maritime Union (CIO) will go into effect January 1, 1954. Seamen at age sixty-five with twenty or more years of accredited service will be entitled to a pension of \$55 a month, in addition to Social Security. By January, 1954, the reserve will be about \$4.5 million. Employers now contribute 60 cents per day per man to the pension and welfare fund. The fund is jointly administered.

### Telling Employees How Much Benefits Cost

Many companies publish annual articles in their employee magazines to impress upon workers how much the employer contributes toward employee security benefits. International Harvester totals up these benefit costs at \$30 million, or more than 8% of the payroll. In addition, \$15.5 million went for employee vacations.

The Hoover Company tagged the cost of its benefit package as \$1,646,018, or \$576.74 a year per employee. The Consolidated Edison System, through a series of cartoons, tells the worker how much it is contributing toward each benefit. The total cost of \$2.2 million represents an average of \$18.65 a week for each employee. Central Illinois Light Company reproduces a check for \$32.64, which represents the amount which the company contributes for benefit

<sup>1</sup> For statistics on the extent of coverage by years from 1945 to 1951, see *Management Record*, December, 1952, p. 471.



for the average employee every two weeks. This presents 40.8 cents for each straight-time hour worked. The article describing the amounts paid for this purpose is entitled "The Biweekly Pay Check You Don't See." Washington Gas Light also uses the cartoon method to list the amounts paid for employee benefits. The average payment per year per employee is \$985 in this company or an average of 53 cents per an-hour.

### Encouraging Employee Stock Ownership and Thrift

Air Reduction Company, Inc., announces a new stock investment plan, effective June 1. The employee authorizes payroll deductions of either 2.5% or 5% of his compensation and these savings are deposited in a bank to his credit. At quarterly intervals, company common stock (in units of five shares) is purchased for the employee. The price of the stock is the closing price on the day immediately preceding the quarterly purchase date but no shares shall be sold at a price less than \$26.65. For each five shares purchased, the company will buy one extra share on the market. The employee is then given the certificate for six shares (or in units thereof). The source of stock sold to employees is 200,000 shares of authorized but unissued common stock.

\* \* \*

Union Carbide & Carbon Company has announced its eighth savings plan, effective July 1. Unlike the former plans, the new one is on a continuing basis. The company contributes 10% of the employee's payments if he has one year's service; 20% if two years and 30% if he has three or more years' service. The employee may save up to 7.5% of his straight-time earnings to a maximum of \$83 a month (this maximum was previously \$30).

There are two parts to the savings plan. The first part is a short-term thrift plan, with a cash distribution of accumulated funds, including interest, every two years. Participation continues after each distribution without the necessity of re-enrollment. The second part, which is available only to employees with three or more years' service, is an entirely new long-range investment. These funds may be invested in government savings bonds or the capital stock of the company. No periodic distribution is made under this part of the plan, but under certain conditions a participant may arrange partial or complete withdrawal of his account.

\* \* \*

More than \$9.2 million worth of common stock is now going to 7,571 employees of the Sun Oil Company under its latest stock distribution. The present plan, last liquidated, was started in 1948. Since 1926 when the company made its first stock offer, 840,000 shares

have been acquired by employees, who now comprise nearly half of the company's shareholders. Sun contributes \$1 for each \$2 the employee invests.<sup>1</sup>

### Pension Notes

The Motor Wheel Corporation and the United Automobile Workers (AFL) have agreed to a revision of the company's pension plan. Employees with ten or more years of service at the time of retirement will receive a pension of not less than \$1.75 a month multiplied by years of service to a maximum of thirty years. This follows the pattern set by the big three in the automobile industry.

\* \* \*

Retired employees of the Borden Company will receive increased life insurance protection under its new plan. Previously the amount of life insurance was reduced to \$500 upon retirement. If the employee has completed twenty or more years of service, and has been insured for a minimum of ten years immediately before retirement, he is entitled to life insurance according to the following schedule:

| Age at Retirement | Amount of Insurance<br>(As percentage of amount in effect prior to retirement)                            |
|-------------------|---|
| 65                | 100%—1st year<br>75%—2nd year<br>50%—3rd year<br>25% or \$500, whichever is greater for subsequent years. |
| 66                | 75%—1st year<br>50%—2nd year<br>25% or \$500, whichever is greater for subsequent years.                  |
| 67                | 50%—1st year<br>25% or \$500, whichever is greater for subsequent years.                                  |
| 68                | 25% or \$500, whichever is greater.   |

If the employee is officially retired after twenty or more years of service but has been insured less than ten years, his life insurance will be reduced to \$500. The insurance is provided for retired employees at the company's expense.

\* \* \*

The Bureau of Internal Revenue was queried regarding the disposition of certain amounts which had accumulated in a pension fund as a result of participants terminating their services. The plan in question was of the money-purchase type, and the company wished to use these funds to supplement the benefits of remaining participants. BIR ruled that a money-purchase pension plan that used forfeitures in

<sup>1</sup>For text of plan see "Employee Savings and Investment," *Studies in Personnel Policy*, No. 133, National Industrial Conference Board, p. 22.



this manner would not qualify under section 165 (a) of the Internal Revenue Code. The forfeitures, it ruled, should be applied against future employer contributions.

### Employees' Trust Buys Controlling Interest in Business

The employees' trust of Arthur D. Little, Inc., bought \$1.3 million worth of common stock of the

employing company, and thus acquired controlling interest. The trust provides noncontributory retirement benefits for staff members and permits employees to borrow funds to finance college education for their children. The president of the company stated that the transaction will in no way affect the management of the company.

F. BEATRICE BROWER  
Division of Personnel Administration

## Labor Press Highlights

### CIO HITS HARD MONEY POLICY

**T**HE HARD MONEY policy of the Eisenhower administration "can end in deflation and depression," says the CIO. The increased interest rate on government bonds, according to the CIO's *Economic Outlook*, has already had an effect on certain public groups:

- Veterans and others buying homes find interest rates on mortgages up .5% or more.
- Farmers are paying higher interest rates on commodity credit loans.
- Consumers who buy major appliances or autos find carrying charges higher.
- State and local communities planning schools and hospitals find borrowing costs have increased.
- Businessmen seeking loans for expansion are affected. According to the CIO, the new financial policies work "special disadvantages against small business."

The campaign "to restore hard money and sound finance," the CIO continues, "has been waged in the name of combating inflation." But the CIO sees no danger of inflation and as proof points to the decline of the cost of living during the last nine months. "The truth of the matter," concludes the CIO, "is that for the traditional financial community (and some sections of industry) fighting inflation in recent years has been another way of expressing their conviction that the economy couldn't operate at high and expanding levels indefinitely."

#### CIO Views on Maintaining Prosperity

The way to maintain prosperity, according to the CIO's committee on economic policy is "raise wages, boost consumer buying power, and cut profit margins."

The CIO, as a basis for its ideas, makes these claims:

1. Defense expenditures now at an annual rate of \$53 billion will taper off to \$45 billion in 1955.
2. Higher productivity is making more goods available.
3. Business expenditures for new plants and equipment will probably decline.
4. Consumer savings in the hands of the middle and lower wage groups are too small to keep industrial machinery going very long.
5. The gap between wages and productivity has been widening.
6. Jobs must be found for 700,000 new workers entering the labor market every year.

Summing it all up, *The CIO News* says: "We know that government spending will go down. We expect private investments to go down. We are thus left with the great economic sector of personal consumption to which the country must look for new support and spending to maintain full employment and full production." The major responsibility for shaping an economic policy leading to full employment, according to the CIO, must come from labor and management through collective bargaining.

#### Unions Report on Finances

CIO Steelworker assets reached \$11,313,209.67 for the six-month period ending December 31, 1952, reports *Steel Labor*. These assets, says the union, represent a gain of almost \$500,000 over the preceding six-month period. The union's liabilities amounted to \$457,512.53. The total income of the Steelworkers during the six-month period came to \$7,339,415.04 with \$7,006,652.63 from dues.

The AFL Butcher Workmen's union sets its assets at



\$6,348,732.64 for the year ending February 28, 1953. The union's liabilities were \$84,949.62. According to the financial statement published in *The Butcher Workman*, the union's receipts for the year included \$2,838,932.13 from local unions and members.

The CIO Glass Workers' union reports assets of \$585,-17.68 according to *The CIO News, Glass Workers' Edition*. The union reported no liabilities. For the year ending April 30, 1953, total receipts, according to the financial statement, were \$616,679.91 with \$599,715.77 coming from dues or fees from local unions.

### Rail Unions To Convert Escalator

Under an agreement between twenty-one railroad unions and the nation's railroads, the Department of Labor has been asked to devise a formula for conversion of the present railroad escalator clause from the old index to the revised index, reports the *Railway Clerk* (Railway and Steamship Clerks, AFL). The next wage adjustment under the present escalator clause is due October 1, based on the August 1952 consumer price index. Inasmuch as the BLS discontinued the old index after June, conversion is necessary. A *Railway Clerk* tabulation of increases under the escalator clause shows that since April 1, 1951, cost of living hikes to railroad employees rose to 14 cents on October 1, 1952, then dropped to the present 10-cent level.

### AFL Nonoperating Rail Unions Launch Fringe Drive

Liberalized fringe benefits are being sought by fifteen AFL nonoperating railroad unions that claim to represent more than 1 million railroad employees, reports the *Sheet Metal Workers Journal* (AFL). The demands formulated by the AFL railway department include:

- *Vacation*: Five days after one year of service; ten after two; fifteen after five; twenty days after fifteen years of service.
- *Holidays*: Seven holidays with pay.
- *Insurance*: Noncontributory medical and surgical insurance for employees and family; life insurance equal to the employee's full-time annual earnings with a \$3,500 minimum policy.
- *Sunday Premiums*: Time and a half for work on Sunday, double time for work after eight hours on Sunday.
- *Free Transportation*: Extension of free pass privileges on the basis of length of service.

### AFL Boilermaker-Blacksmith Merger Completed

Two sixty-year-old AFL craft unions, the Boilermakers' union and the Blacksmiths' union, have officially ratified a merger agreement entered into two years ago, reports *Labor*. The new union is the International Brotherhood of Boilermakers, Iron Ship Builders, Blacksmiths' Forgers and Helpers. Charles J. MacGowan, president of the Boilermakers, was elected president of the merged organization. John Pelkofer, formerly president of the Blacksmiths, was elected vice-president of the union. Technological changes

which produced overlapping jurisdiction were the prime reason for the merger, according to President MacGowan. With merger completed, the union proposed new organizing drives in all areas of its jurisdiction.

### AFL Office Workers Pick New President

Paul M. Hutchings, president of the Office Employees' International Union, AFL, since its founding in 1945, was defeated in his bid for reelection by Howard E. Coughlin, business agent of the OEIU's New York Local 153, reports the *East Tennessee Labor News* (AFL).

The OEIU at its recent convention claimed 50,000 members and 221 locals in the United States and Canada. President-elect Coughlin proposed an extensive organizing campaign among office workers, and the convention heard AFL Secretary-Treasurer William Schnitzler pledge AFL support to OEIU activities.

### Beck Calls for New Southern Organizing Strategy

Sound organizing policy in the South, according to Dave Beck, AFL Teamster president, calls for concentrating efforts on cities along the rivers and seaboard. As quoted in *The Teamster*, Mr. Beck stated: "I disagree with some in labor on policy and procedures in organizing in the South, because I feel we should concentrate our immediate organizing efforts on the waterways of the country—across the Gulf, at the headwaters of our great rivers and up and down the Atlantic and Pacific seaboards—before we apply the tremendous pressure of our economic action in the South." Mr. Beck went on to say that all-out organization in the South depends first upon almost 100% organization of the North.

### CIO Charters Insurance Union

The CIO's Insurance and Allied Workers organizing committee held its first constitutional convention and was chartered as the Insurance Workers of America, reports *The RWDS Employee* (Retail, Wholesale and Department Store Union, CIO). The new union is the first chartered by the CIO since 1951. The CIO credits the union with 15,000 members. Kenneth O'Dell of Trenton, New Jersey, was elected president. Richard T. Leonard, who headed the Insurance Workers organizing committee, returned to the CIO organizing staff. Organizing efforts of the union will be concentrated on insurance companies with many industrial agents, according to the CIO report.

HAROLD STIEGLITZ

Division of Personnel Administration

### Full Employment Brings Unemployment

High employment among Connecticut workers brought unemployment to thirty employees of the state unemployment compensation office. Added irony for the AFL State Employees Union is the fact that the thirty who are now unemployed are ineligible for unemployment compensation. (Union Labor Record, AFL, Mo.)



## Review of Labor Statistics

**S**HARP RISES in retail food prices between mid-May and mid-June boosted THE CONFERENCE BOARD's consumers' price index for the second month in a row. The latest increase in the all-items figure put the index above its comparable year-ago level for the first time since March of this year. The all-items index for June stood at 181.2 (January, 1939=100), 0.6% above the May figure and 0.2% higher than a year ago.

Food costs for the average moderate-income family rose 1.2% during the month. Most meat prices moved up throughout the country. Beef prices registered increases for the first time in many months, and pork and lamb continued to climb. Higher prices were reported for all fresh fruits and vegetables priced, with the exception of lettuce. Lard and eggs also advanced during the month while butter and canned tomatoes were among the few items which declined.

Housefurnishings was the only other component which showed any appreciable movement during the month. Lower prices of tailored curtains and sheets were largely responsible for the 0.4% decline in the index, but scattered reductions in prices of gas ranges and electric refrigerators were also noted.

### PRICES DURING KOREAN WAR

Signing of a truce in Korea has brought forth speculation concerning the effect on consumer prices in months to come. A study of price trends during the three years since hostilities commenced should give some basis for judging what future price movements may be like.

The last survey date prior to the outbreak of the Korean war was June, 1950. Starting at a level of 162.2 in that month, the all-items index rose almost without interruption till it reached 180.3 in January, 1952. In the following month, a sharp drop in the food index caused the all-items figure to fall back three index points. The upward climb was resumed in March and continued until August, 1952, when the all-time peak of 182.6 was established. This represented a 12.6% increase over the pre-Korea level. Since last August, the all-items index has remained at a level slightly under the all-time peak. The current index is 11.7% above the June, 1950, level and 0.8% below August, 1952.

A study of the individual component indexes during this three-year period reveals several different patterns of price movements. Clothing prices started to move

up in July, 1950, reaching a peak of 156.6 in September of the following year. The index then declined until August, 1952, when it stood at 150.5, its lowest level since the Korean war began. It is interesting to note that this low in the clothing index came in the same month as the all-time peak in the all-items index. From August, 1952, to date, the clothing index has remained virtually unchanged, varying within a range of less than one half of an index point.

Scare buying on the part of retailers and consumers alike forced the housefurnishings index to spurt upward almost as soon as the Korean conflict began. From June, 1950, to July, 1951, the index rose 16.9%, reaching its peak two months earlier than the clothing index and more than a year ahead of the all-items index. Since July, 1951, furniture and housefurnishings prices have dropped 5.5%.

Because of the great importance of food costs in the moderate-income family's budget, changes in this index greatly affect the movement of the all-items index. For this reason, of all the components, the food index most closely parallels the all-items index during the three years under consideration. Food prices advanced sharply during the first month following the start of the war and, except for seasonal declines moved upward almost continually until August, 1952 when the all-time peak of 243.9 was reached. This coincided with the all-time peak in the all-items index. During the twenty-six months from June, 1950, to August, 1952, food prices rose 17.4%. Between August 1952, and April of this year, the food index declined 6.7%, reaching a level of 227.5. Since April, food prices have advanced 1.7% to attain the current figure of 231.3.

Unlike the other components, fuel, housing and sundries have not exhibited any definite peaks, but instead have been moving up steadily throughout the entire three-year period. The sundries index, which covers such items as medical and dental care, transportation, recreation and personal care, is currently less than three index points below the all-items index. If it continues its present upward trend, it may soon be the only component other than food to reach an index level above that of the all-items figure.

Thus in the ten months since the all-items index reached the all-time peak, clothing and housefurnishings prices have remained fairly stable; housing, fuel and sundries have continued to rise, and food prices first declined and in recent months have shown slight

ns of rallying. As the result of these varying factors, the all-items index has remained on a plateau just slightly under the level of the all-time peak.

### EMPLOYMENT FOR JUNE

Employment swung sharply upward in June as students entered the labor force at the close of the school year. According to latest Census Bureau figures, employment was estimated at 63.2 million in mid-June, out 1.5 million higher than in May and 600,000 above last year's record June total.

Census points out that all of the month's employment gain was recorded in agriculture. There was a marked upswing in farm employment to an estimated 9 million in June from 6.4 million in the previous month. This increase, however, was the first of any consequence this year, and farm employment in June still was slightly under the 1952 level.

Nonagricultural employment remained at the same level in June as in May—55.2 million. A sharp increase in the number of teen-agers with jobs was offset by a substantial reduction in the number of women employed in nonfarm industries. Many of these women are teachers without definite contracts for the fall. It is significant that for the year, so far, total nonagricultural employment has not shown its customary upswing. In fact, employment in June was almost unchanged from its mid-winter low, while in preceding years there have been gains of around 1 million.

Unemployment showed its usual increase between May and June, rising by about one quarter million to reach a total of about 1.6 million. The Census Bureau says that teen-agers looking for jobs accounted for most of the change. Unemployment among adult workers is still very low. The Census Bureau estimates that in June only about 1.6% of all workers twenty-five years old and over were unemployed.

Estimated at 64.7 million in June, the civilian labor force (employed and unemployed) had increased by about 1.8 million from May, as large numbers of temporary workers joined the labor force for the summer.

### EMPLOYMENT IN NONAGRICULTURAL INDUSTRIES

According to Bureau of Labor Statistics figures, nonfarm industries added almost 5 million wage and salaried workers to their payrolls in the three years since the start of the Korean war. Employment in nonagricultural jobs is estimated at 49.4 million in June as compared with the total of 44.5 million three years earlier. This increase, which is the greatest for any comparable period since World War II, resulted from expanded demand for civilian goods and services and the defense program requirements.

Practically all of the post-Korean employment rise took place prior to 1953. Since the beginning of this year, the monthly variations in the job total have reflected chiefly seasonal influences.

About 40% of the total employment rise in the

three-year-war period was concentrated in durable goods manufacturing where the number of workers increased by almost 2 million to reach 10.2 million.

The gain in nondurable goods manufacturing was considerably smaller, amounting to only about 300,000 workers. Most of the advance occurred in chemicals, paper, oil, and rubber. Employment in textile mills during June, 1953, was 3% under the pre-Korea total.

In nonmanufacturing industries, the biggest increase in jobs since mid-June, 1950, was noted in wholesale and retail trade—the result of increased consumer buying.

Bituminous coal mining is the only major non-manufacturing industry that showed a decrease in employment during the past three years.

### TURNOVER RATES FOR MAY

Layoff rates in the nation's factories rose slightly between April and May, according to estimates of the Bureau of Labor Statistics. However, at eleven per 1,000 employees, the May layoff rate was equal to previous post-World War II lows for the month.

The transportation equipment and machinery industry groups accounted for most of the increase in layoffs. May layoffs in most other manufacturing industries were at or below the low levels reported in April. Layoffs in the transportation equipment industry rose to a rate of thirty-four per 1,000 in May, as some automobile manufacturers curtailed operations because of work stoppages in plants supplying parts.

Layoff rates for May in the electrical machinery, tobacco, and leather industry groups were the lowest for the month since World War II. In apparel plants, the layoff rate in May was the smallest reported for the month since 1946.

Hiring in manufacturing industries slackened somewhat between April and May to a rate of forty per 1,000 employees. Following the rapid expansion of the manufacturing work force in the latter part of 1952, the pace of factory hiring has been slowing down in recent months.

The proportion of factory workers quitting their jobs in May was up nearly one fourth over the year, reflecting more opportunities to change jobs. Twenty-seven out of every 1,000 employees on manufacturing payrolls voluntarily quit their jobs in May—the same rate as in April.

The rate of discharges remained at the same level as in the preceding three months—four per 1,000 workers.

Total separations for the month (including quits, discharges, and layoffs) rose to forty-five per 1,000 employees from forty-three per 1,000 in April.

### WAGE ADJUSTMENTS

Between mid-June and mid-July, THE CONFERENCE BOARD confirmed thirty-one wage settlements. More than 29,000 employees in twenty-three firms were involved in these negotiations. Twenty-four of the



## Consumers' Price Indexes for Cities Surveyed Monthly

NOTE: These indexes do NOT show intercity differences in price level or standards of living. They show only changes in consumers' prices in each city, which changes may be compared with those for other cities.

|                            | Index Numbers<br>Jan., 1939=100 |                    |           | Percentage<br>Changes       |                              | CITY                | Index Numbers<br>Jan., 1939=100 |                    |                        | Percentage<br>Changes       |                              |       |
|----------------------------|---------------------------------|--------------------|-----------|-----------------------------|------------------------------|---------------------|---------------------------------|--------------------|------------------------|-----------------------------|------------------------------|-------|
|                            | June 1953                       | May 1953           | June 1952 | May 1953<br>to<br>June 1953 | June 1952<br>to<br>June 1953 |                     | June 1953                       | May 1953           | June 1952 <sup>2</sup> | May 1953<br>to<br>June 1953 | June 1952<br>to<br>June 1953 |       |
| <b>Birmingham</b>          |                                 |                    |           |                             |                              |                     |                                 |                    |                        |                             |                              |       |
| Food.....                  | 238.5                           | 231.9              | 234.0     | +2.8                        | +1.9                         | <b>Indianapolis</b> | Food.....                       | 254.8              | 247.0 <sup>r</sup>     | 250.3                       | +3.2                         | +1.8  |
| Housing <sup>1</sup> ..... | 163.9                           | 163.9              | 160.7     | 0                           | +2.0                         |                     | Housing <sup>3</sup> .....      | 135.6              | 125.7                  | 123.0                       | +7.9                         | +10.3 |
| Clothing.....              | 152.1                           | 151.8              | 151.2     | +0.2                        | +0.6                         |                     | Clothing.....                   | 144.4              | 144.2                  | 143.9                       | +0.1                         | +0.3  |
| Fuel <sup>4</sup> .....    | 129.2                           | 128.7              | 128.9     | +0.4                        | +0.2                         |                     | Fuel <sup>4</sup> .....         | 154.4              | 155.0                  | 156.1                       | -0.4                         | -1.1  |
| Housefurnishings.....      | 168.8                           | 170.2              | 171.3     | -0.8                        | -1.5                         |                     | Housefurnishings.....           | 155.6              | 155.8                  | 156.4                       | -0.1                         | -0.8  |
| Sundries.....              | 156.4                           | 156.6              | 154.3     | -0.1                        | +1.4                         |                     | Sundries.....                   | 184.5              | 182.6                  | 178.0                       | +1.0                         | +3.7  |
| Weighted total.....        | 180.1                           | 178.2              | 177.5     | +1.1                        | +1.5                         | Weighted total....  | 188.3                           | 184.0              | 183.2                  | +2.3                        | +2.8                         |       |
| <b>Boston</b>              |                                 |                    |           |                             |                              |                     |                                 |                    |                        |                             |                              |       |
| Food.....                  | 220.5                           | 215.7              | 229.3     | +2.2                        | -3.8                         | <b>Los Angeles</b>  | Food.....                       | 218.6              | 218.3                  | 236.5                       | +0.1                         | -7.6  |
| Housing <sup>2</sup> ..... | 129.6                           | 129.6              | 128.9     | 0                           | +0.5                         |                     | Housing <sup>1</sup> .....      | 143.2              | 143.2                  | 141.4                       | 0                            | +1.8  |
| Clothing.....              | 142.1                           | 142.1              | 136.8     | 0                           | +3.9                         |                     | Clothing.....                   | 141.8              | 141.8                  | 142.3                       | 0                            | -0.4  |
| Fuel <sup>4</sup> .....    | 173.8                           | 173.8              | 167.5     | 0                           | +3.8                         |                     | Fuel <sup>4</sup> .....         | 101.5              | 101.5 <sup>r</sup>     | 101.1                       | 0                            | +0.4  |
| Housefurnishings.....      | 155.7                           | 156.2              | 156.9     | -0.3                        | -0.8                         |                     | Housefurnishings.....           | 160.3              | 160.7                  | 162.0                       | -0.2                         | -1.3  |
| Sundries.....              | 170.6                           | 170.2              | 166.1     | +0.2                        | +2.7                         |                     | Sundries.....                   | 175.9              | 175.9 <sup>r</sup>     | 171.4                       | 0                            | +2.6  |
| Weighted total.....        | 177.3                           | 175.5              | 178.2     | +1.0                        | -0.5                         | Weighted total....  | 175.3                           | 175.2 <sup>r</sup> | 178.9                  | +0.1                        | -2.0                         |       |
| <b>Chicago</b>             |                                 |                    |           |                             |                              |                     |                                 |                    |                        |                             |                              |       |
| Food.....                  | 244.2                           | 240.3              | 252.2     | +1.6                        | -3.2                         | <b>New Orleans</b>  | Food.....                       | 255.6              | 246.5                  | 248.9                       | +3.7                         | +2.7  |
| Housing <sup>1</sup> ..... | 140.9                           | 140.9              | 133.4     | 0                           | +5.6                         |                     | Housing <sup>3</sup> .....      | 159.5              | 158.0                  | 130.8                       | +0.9                         | +21.9 |
| Clothing.....              | 146.4                           | 146.3              | 147.4     | +0.1                        | -0.7                         |                     | Clothing.....                   | 157.3              | 156.9                  | 157.9                       | +0.3                         | -0.4  |
| Fuel <sup>4</sup> .....    | 118.4                           | 118.4              | 117.9     | 0                           | +0.4                         |                     | Fuel <sup>4</sup> .....         | 93.3               | 93.3                   | 92.5                        | 0                            | +0.9  |
| Housefurnishings.....      | 158.0                           | 159.5              | 160.3     | -0.9                        | -1.4                         |                     | Housefurnishings.....           | 171.1              | 173.3 <sup>r</sup>     | 175.0                       | -1.3                         | -2.2  |
| Sundries.....              | 179.9                           | 179.9 <sup>r</sup> | 174.7     | 0                           | +3.0                         |                     | Sundries.....                   | 149.0              | 149.0                  | 148.4                       | 0                            | +0.4  |
| Weighted total.....        | 185.1                           | 183.8 <sup>r</sup> | 184.8     | +0.7                        | +0.2                         | Weighted total....  | 189.5                           | 185.9              | 182.6                  | +1.9                        | +3.8                         |       |
| <b>Denver</b>              |                                 |                    |           |                             |                              |                     |                                 |                    |                        |                             |                              |       |
| Food.....                  | 240.8                           | 238.1              | 240.7     | +1.1                        | a                            | <b>New York</b>     | Food.....                       | 217.0              | 213.7 <sup>r</sup>     | 228.0                       | +1.5                         | -4.8  |
| Housing <sup>3</sup> ..... | 130.5                           | 129.4 <sup>r</sup> | 123.2     | +0.9                        | +1.8                         |                     | Housing <sup>2</sup> .....      | 116.5              | 116.5                  | 106.1                       | 0                            | +9.8  |
| Clothing.....              | 163.3                           | 163.1 <sup>r</sup> | 162.8     | +0.1                        | +0.3                         |                     | Clothing.....                   | 152.5              | 152.5                  | 153.0                       | 0                            | -0.5  |
| Fuel <sup>4</sup> .....    | 106.4                           | 106.4              | 103.6     | 0                           | +2.7                         |                     | Fuel <sup>4</sup> .....         | 136.8              | 136.5                  | 130.6                       | +0.2                         | +4.7  |
| Housefurnishings.....      | 156.3                           | 158.0              | 163.2     | -1.1                        | -4.2                         |                     | Housefurnishings.....           | 161.0              | 161.4                  | 163.4                       | -0.2                         | -1.1  |
| Sundries.....              | 157.2                           | 157.7              | 159.3     | -0.3                        | -1.3                         |                     | Sundries.....                   | 180.9              | 181.0                  | 174.8                       | -0.1                         | +3.6  |
| Weighted total.....        | 175.7                           | 174.9              | 175.9     | +0.5                        | -0.1                         | Weighted total....  | 174.4                           | 173.2 <sup>r</sup> | 174.5                  | +0.7                        | -0.1                         |       |
| <b>Detroit</b>             |                                 |                    |           |                             |                              |                     |                                 |                    |                        |                             |                              |       |
| Food.....                  | 245.8                           | 240.5              | 251.9     | +2.2                        | -2.4                         | <b>Philadelphia</b> | Food.....                       | 223.1              | 220.3                  | 225.8                       | +1.3                         | -1.9  |
| Housing <sup>2</sup> ..... | 141.4                           | 141.4              | 130.6     | 0                           | +8.3                         |                     | Housing <sup>3</sup> .....      | 117.7              | 117.7                  | 117.7                       | 0                            | 0     |
| Clothing.....              | 147.1                           | 147.1              | 148.3     | 0                           | -0.8                         |                     | Clothing.....                   | 142.2              | 142.2                  | 142.5                       | 0                            | -0.3  |
| Fuel <sup>4</sup> .....    | 162.1                           | 163.8 <sup>r</sup> | 159.7     | -1.0                        | +1.5                         |                     | Fuel <sup>4</sup> .....         | 155.5              | 155.2                  | 150.5                       | +0.2                         | +2.8  |
| Housefurnishings.....      | 165.1                           | 165.6              | 168.1     | -0.3                        | -1.8                         |                     | Housefurnishings.....           | 175.0              | 176.0                  | 180.0                       | -0.6                         | -2.3  |
| Sundries.....              | 191.7                           | 189.5 <sup>r</sup> | 179.1     | +1.2                        | +7.0                         |                     | Sundries.....                   | 183.4              | 183.4                  | 166.5                       | 0                            | +10.9 |
| Weighted total.....        | 189.7                           | 187.7 <sup>r</sup> | 186.0     | +1.1                        | +2.0                         | Weighted total....  | 180.2                           | 179.3              | 176.7                  | +0.5                        | +2.6                         |       |

Source: THE CONFERENCE BOARD.

<sup>1</sup> Rents surveyed January, April, July, October.

<sup>2</sup> Rents surveyed February, May, August, November.

<sup>3</sup> Rents surveyed March, June, September, December.

<sup>4</sup> Includes electricity and gas.

a Less than 0.1%.

<sup>r</sup> Revised.

## Consumers' Price Index for Ten United States Cities, and Purchasing Value of Dollar

Index Numbers, January, 1939 = 100

| Date                | Weighted<br>Average of<br>All Items | Food               | Housing <sup>1</sup> | Clothing |       |         | Fuel <sup>2</sup>  |             |                    | House-<br>furnish-<br>ings | Sundries           | Purchas-<br>ing Value of<br>the Dollar |
|---------------------|-------------------------------------|--------------------|----------------------|----------|-------|---------|--------------------|-------------|--------------------|----------------------------|--------------------|--|
|                     |                                     |                    |                      | Total    | Men's | Women's | Total              | Electricity | Gas                |                            |                    |  |
| 1952 June.....      | 179.0                               | 237.0              | 121.5                | 148.8    | 164.7 | 135.4   | 130.9              | 90.0        | 104.8              | 165.0                      | 172.3              | 55.8                                   |
| July.....           | 180.4                               | 239.8              | 121.7                | 148.5    | 164.6 | 135.0   | 131.7              | 90.0        | 104.8              | 164.3                      | 173.6              | 55.4                                   |
| August.....         | 180.8                               | 240.6              | 122.0                | 148.2    | 164.3 | 134.7   | 132.9              | 92.2        | 104.8              | 164.5                      | 174.0              | 55.3                                   |
| September.....      | 179.9                               | 237.7              | 122.1                | 148.4    | 163.7 | 135.5   | 133.7              | 92.2        | 104.8              | 164.5                      | 174.0              | 55.6                                   |
| October.....        | 179.8                               | 236.5              | 122.7                | 148.1    | 163.8 | 134.8   | 135.3              | 92.2        | 104.6              | 163.6                      | 174.4              | 55.6                                   |
| November.....       | 180.6                               | 238.3              | 123.3                | 148.2    | 163.8 | 135.0   | 135.9              | 92.0        | 104.6              | 164.8                      | 174.5              | 55.4                                   |
| December.....       | 179.3                               | 233.2              | 124.1                | 148.2    | 163.8 | 135.0   | 137.6              | 92.0        | 104.6              | 164.7                      | 175.0              | 55.8                                   |
| Annual average..... | 179.1                               | 236.1              | 122.0                | 149.1    | 164.9 | 135.6   | 133.4              | 90.9        | 104.5              | 165.6                      | 172.6              | 55.8                                   |
| 1953 January.....   | 178.7                               | 230.3              | 124.8                | 148.2    | 163.8 | 135.1   | 138.1              | 92.0        | 105.3              | 162.7                      | 176.1              | 56.0                                   |
| February.....       | 177.3                               | 225.2              | 125.6                | 148.2    | 164.0 | 134.9   | 137.9              | 92.0        | 105.3              | 163.4                      | 176.6              | 56.4                                   |
| March.....          | 177.7                               | 225.6              | 125.7                | 148.4    | 163.8 | 135.5   | 138.0              | 92.0        | 105.3              | 163.3                      | 177.4              | 56.3                                   |
| April.....          | 177.6 <sup>r</sup>                  | 223.9              | 125.8                | 148.3    | 163.5 | 135.4   | 137.7 <sup>r</sup> | 92.0        | 105.4 <sup>r</sup> | 163.2                      | 179.2 <sup>r</sup> | 56.3                                   |
| May.....            | 178.4 <sup>r</sup>                  | 225.0 <sup>r</sup> | 129.1                | 148.4    | 163.9 | 135.3   | 134.5              | 92.0        | 105.4 <sup>r</sup> | 163.1                      | 179.3 <sup>r</sup> | 56.1                                   |
| June.....           | 179.7                               | 228.6              | 129.4                | 148.4    | 164.1 | 135.3   | 134.5              | 92.0        | 105.4 <sup>r</sup> | 162.3                      | 179.5              | 55.6                                   |

Percentage Changes

|                            |      |      |      |      |      |      |      |      |      |      |      |      |
|----------------------------|------|------|------|------|------|------|------|------|------|------|------|------|
| May 1953 to June 1953....  | +0.7 | +1.6 | +0.2 | 0    | +0.1 | 0    | 0    | 0    | 0    | -0.5 | +0.1 | -0.3 |
| June 1952 to June 1953.... | +0.4 | -3.5 | +6.5 | -0.3 | -0.4 | -0.1 | +2.8 | +2.2 | +0.6 | -1.6 | +4.2 | -0.1 |

<sup>1</sup> Rents surveyed quarterly in individual cities.

<sup>2</sup> Includes electricity and gas

<sup>r</sup> Revised.

## Consumers' Price Indexes for Cities Surveyed Quarterly

NOTE: These indexes do NOT show intercity differences in price level or standards of living. They show only changes in consumers' prices in each city, which changes may be compared with those for other cities.

|                         | Index Numbers<br>Jan., 1939 = 100 |                    |           | Percentage<br>Changes        |                              |                               | Index Numbers<br>Jan., 1939 = 100 |                    |           | Percentage<br>Changes        |                              |
|-------------------------|-----------------------------------|--------------------|-----------|------------------------------|------------------------------|-------------------------------|-----------------------------------|--------------------|-----------|------------------------------|------------------------------|
|                         | June 1953                         | Mar. 1953          | June 1952 | Mar. 1953<br>to<br>June 1953 | June 1952<br>to<br>June 1953 |                               | June 1953                         | Mar. 1953          | June 1952 | Mar. 1953<br>to<br>June 1953 | June 1952<br>to<br>June 1953 |
| <b>Cleveland</b>        |                                   |                    |           |                              |                              | <b>Lansing</b>                |                                   |                    |           |                              |                              |
| Food.....               | 236.4                             | 230.6              | 247.2     | +2.5                         | -4.4                         | Food.....                     | 258.2                             | 247.8 <sub>r</sub> | 262.1     | +4.2                         | -1.5                         |
| Housing.....            | 130.9                             | 130.6 <sub>r</sub> | 120.1     | +0.2                         | +9.0                         | Housing.....                  | 194.6                             | 133.8              | 133.8     | +0.6                         | +0.6                         |
| Other.....              | 164.7                             | 165.1              | 162.8     | -0.2                         | +1.2                         | Clothing.....                 | 154.9                             | 155.0              | 154.9     | -0.1                         | 0                            |
| Fuel <sup>1</sup> ..... | 145.0                             | 146.5              | 142.3     | -1.0                         | +1.9                         | Fuel <sup>1</sup> .....       | 148.5                             | 152.2              | 143.5     | -2.4                         | +3.5                         |
| Housefurnishings.....   | 173.4                             | 175.0              | 175.4     | -0.9                         | -1.1                         | Housefurnishings.....         | 161.9                             | 164.3              | 163.5     | -1.5                         | -1.0                         |
| Sundries.....           | 187.0                             | 184.2              | 177.1     | +1.5                         | +5.6                         | Sundries.....                 | 187.6                             | 184.3              | 179.3     | +1.8                         | +4.6                         |
| Weighted total.....     | 185.7                             | 183.4              | 184.0     | +1.3                         | +0.9                         | Weighted total.....           | 188.2                             | 184.7              | 186.6     | +1.9                         | +0.9                         |
| <b>Des Moines</b>       |                                   |                    |           |                              |                              | <b>Milwaukee</b>              |                                   |                    |           |                              |                              |
| Food.....               | 233.0                             | 234.9              | 246.9     | -0.8                         | -5.6                         | Food.....                     | 246.9                             | 243.4 <sub>r</sub> | 258.3     | +1.4                         | -4.4                         |
| Housing.....            | 125.6                             | 125.6              | 119.7     | 0                            | +4.9                         | Housing.....                  | 178.7                             | 178.7 <sub>r</sub> | 171.9     | 0                            | +4.0                         |
| Other.....              | 162.0                             | 161.7              | 162.6     | +0.2                         | -0.4                         | Clothing.....                 | 159.9                             | 159.4              | 160.5     | +0.3                         | -0.4                         |
| Fuel <sup>1</sup> ..... | 159.3                             | 163.2              | 155.5     | -2.4                         | +2.4                         | Fuel <sup>1</sup> .....       | 141.3                             | 144.7 <sub>r</sub> | 137.5     | -2.3                         | +2.8                         |
| Housefurnishings.....   | 167.0                             | 164.8              | 162.8     | +1.3                         | +2.6                         | Housefurnishings.....         | 177.6                             | 178.6              | 175.7     | -0.6                         | +1.1                         |
| Sundries.....           | 167.1                             | 164.0              | 163.8     | +1.9                         | +2.0                         | Sundries.....                 | 190.3                             | 183.7              | 182.8     | +3.6                         | +4.1                         |
| Weighted total.....     | 176.8                             | 176.4              | 178.0     | +0.2                         | -0.7                         | Weighted total.....           | 197.0                             | 194.5 <sub>r</sub> | 196.8     | +1.3                         | +0.1                         |
| <b>Huntington</b>       |                                   |                    |           |                              |                              | <b>Pittsburgh<sup>a</sup></b> |                                   |                    |           |                              |                              |
| Food.....               | 221.1                             | 219.4              | 222.2     | +0.8                         | -0.5                         | Food.....                     | 236.7                             | 231.4              | 241.3     | +2.3                         | -1.9                         |
| Housing.....            | 127.6                             | 125.4 <sub>r</sub> | 123.6     | +1.8                         | +3.2                         | Housing.....                  | 141.1                             | 140.9              | 140.4     | +0.1                         | +0.5                         |
| Other.....              | 151.0                             | 150.0              | 152.0     | +0.7                         | -0.7                         | Clothing.....                 | 150.1                             | 149.8 <sub>r</sub> | 149.9     | +0.2                         | +0.1                         |
| Fuel <sup>1</sup> ..... | 117.5                             | 117.5              | 117.5     | 0                            | 0                            | Fuel <sup>1</sup> .....       | 154.4                             | 154.4              | 145.8     | 0                            | +5.9                         |
| Housefurnishings.....   | 151.5                             | 154.3              | 150.1     | -1.8                         | +0.9                         | Housefurnishings.....         | 146.7                             | 148.1              | 147.0     | -0.9                         | -0.2                         |
| Sundries.....           | 173.5                             | 171.6              | 170.9     | +1.1                         | +1.5                         | Sundries.....                 | 179.6                             | 177.8              | 176.9     | +1.0                         | +1.5                         |
| Weighted total.....     | 175.5                             | 174.1              | 174.5     | +0.8                         | +0.6                         | Weighted total.....           | 184.5                             | 182.3              | 184.7     | +1.2                         | -0.1                         |
| <b>Kansas City, Mo.</b> |                                   |                    |           |                              |                              | <b>Portland</b>               |                                   |                    |           |                              |                              |
| Food.....               | 213.2                             | 211.5              | 221.1     | +0.8                         | -3.6                         | Food.....                     | 239.1                             | 242.5              | 246.3     | -1.4                         | -2.9                         |
| Housing.....            | 114.5                             | 114.5              | 111.5     | 0                            | +2.7                         | Housing.....                  | 143.4                             | 142.4              | 141.3     | +0.7                         | +1.5                         |
| Other.....              | 156.7                             | 156.9              | 158.5     | -0.1                         | -1.1                         | Clothing.....                 | 174.1                             | 174.7              | 173.6     | -0.3                         | +0.3                         |
| Fuel <sup>1</sup> ..... | 130.5                             | 130.5              | 127.6     | 0                            | +2.3                         | Fuel <sup>1</sup> .....       | 159.5                             | 159.7 <sub>r</sub> | 144.1     | -0.1                         | +10.7                        |
| Housefurnishings.....   | 151.5                             | 151.8              | 152.9     | -0.2                         | -0.9                         | Housefurnishings.....         | 154.4                             | 153.4              | 150.9     | +0.7                         | +2.3                         |
| Sundries.....           | 182.5                             | 177.1              | 174.6     | +3.0                         | +4.5                         | Sundries.....                 | 160.0                             | 158.2              | 156.7     | +1.1                         | +2.1                         |
| Weighted total.....     | 172.5                             | 170.2              | 171.7     | +1.4                         | +0.5                         | Weighted total.....           | 182.5                             | 182.8              | 182.1     | -0.2                         | +0.2                         |

Includes electricity and gas.      a Surveyed June, 1953—March, 1953—May, 1952.      r Revised.

### Percentage Changes in Indexes for Evansville

|                      | Weighted<br>Total |              | Food          |              | Housing <sup>1</sup> |              | Clothing      |              | Fuel &<br>Light |              | House Fur-<br>nishings |              | Sundries      |              |
|----------------------|-------------------|--------------|---------------|--------------|----------------------|--------------|---------------|--------------|-----------------|--------------|------------------------|--------------|---------------|--------------|
|                      | March<br>1953     | June<br>1952 | March<br>1953 | June<br>1952 | March<br>1953        | June<br>1952 | March<br>1953 | June<br>1952 | March<br>1953   | June<br>1952 | March<br>1953          | June<br>1952 | March<br>1953 | June<br>1952 |
| Evansville, Ind..... | +1.8              | +4.0         | +1.0          | +0.9         | 0                    | +16.1        | 0             | -0.4         | -1.1            | +1.2         | -0.8                   | -0.1         | +5.0          | +7.0         |

SOURCE: THE CONFERENCE BOARD

## Consumers' Price Index for Thirty-nine Cities, and Purchasing Value of the Dollar

Index Numbers, January, 1939 = 100

| Date                        | Weighted<br>Average of<br>All Items | Food               | Housing <sup>1</sup> | Clothing |       |         | Fuel <sup>2</sup>  |             |                    | House-<br>furnish-<br>ings | Sundries           | Purchasing<br>Value of<br>the Dollar |
|-----------------------------|-------------------------------------|--------------------|----------------------|----------|-------|---------|--------------------|-------------|--------------------|----------------------------|--------------------|--------------------------------------|
|                             |                                     |                    |                      | Total    | Men's | Women's | Total              | Electricity | Gas                |                            |                    |                                      |
| 52 June.....                | 180.8                               | 240.5              | 124.9                | 151.0    | 168.3 | 136.2   | 133.9              | 91.4        | 102.9              | 165.6                      | 171.1              | 55.3                                 |
| July.....                   | 182.1                               | 243.2              | 125.2                | 150.7    | 168.2 | 135.9   | 134.8              | 91.9        | 102.8              | 164.8                      | 172.5              | 54.9                                 |
| August.....                 | 182.6                               | 243.9              | 125.5                | 150.5    | 167.9 | 135.7   | 135.8              | 93.2        | 102.8              | 165.1                      | 173.0              | 54.8                                 |
| September.....              | 181.7                               | 241.0              | 125.7                | 150.8    | 167.4 | 136.6   | 136.3              | 93.0        | 102.9              | 165.1                      | 172.9              | 55.0                                 |
| October.....                | 181.5                               | 239.9              | 126.2                | 150.5    | 167.4 | 136.1   | 137.9              | 92.7        | 102.7              | 164.4                      | 173.2              | 55.1                                 |
| November.....               | 182.3                               | 241.3              | 126.8                | 150.6    | 167.4 | 136.3   | 138.9              | 93.4        | 103.0              | 165.7                      | 173.4              | 54.9                                 |
| December.....               | 180.9                               | 236.1              | 127.6                | 150.6    | 167.4 | 136.3   | 140.5              | 93.4        | 103.0              | 165.7                      | 173.8              | 55.3                                 |
| Annual average.....         | 180.7                               | 239.4              | 125.4                | 151.4    | 168.7 | 136.8   | 136.3              | 92.0        | 102.8              | 166.3                      | 171.2              | 55.3                                 |
| 53 January.....             | 180.4                               | 233.2              | 128.2                | 150.6    | 167.4 | 136.3   | 141.1              | 93.4        | 103.9              | 163.7                      | 174.9              | 55.4                                 |
| February.....               | 179.0                               | 228.7              | 128.8                | 150.6    | 167.7 | 136.1   | 140.8              | 93.4        | 103.8              | 164.6                      | 175.0              | 55.9                                 |
| March.....                  | 179.5                               | 229.1 <sub>r</sub> | 128.9                | 150.8    | 167.5 | 136.6   | 140.9              | 93.4        | 104.0 <sub>r</sub> | 164.7                      | 175.9              | 55.7                                 |
| April.....                  | 179.4                               | 227.5              | 128.9                | 150.7    | 167.4 | 136.4   | 140.7 <sub>r</sub> | 93.4        | 104.1 <sub>r</sub> | 164.6                      | 177.7 <sub>r</sub> | 55.7                                 |
| May.....                    | 180.1 <sub>r</sub>                  | 228.5 <sub>r</sub> | 131.0 <sub>r</sub>   | 150.8    | 167.8 | 136.4   | 138.5 <sub>r</sub> | 93.4        | 104.1 <sub>r</sub> | 164.5                      | 178.1 <sub>r</sub> | 55.5                                 |
| June.....                   | 181.2                               | 231.3              | 131.2                | 150.9    | 167.9 | 136.3   | 138.4              | 93.4        | 104.1              | 163.9                      | 178.5              | 55.2                                 |
| Percentage Changes          |                                     |                    |                      |          |       |         |                    |             |                    |                            |                    |                                      |
| May 1953 to June 1953.....  | +0.6                                | +1.2               | +0.2                 | +0.1     | +0.1  | -0.1    | -0.1               | 0           | 0                  | -0.4                       | +0.2               | -0.5                                 |
| June 1952 to June 1953..... | +0.2                                | -3.8               | +5.0                 | -0.1     | -0.2  | +0.1    | +3.4               | +2.2        | +1.2               | -1.0                       | +4.3               | -0.2                                 |

<sup>1</sup> Rents surveyed quarterly in individual cities

<sup>2</sup> Includes electricity and gas

r Revised



agreements were with wage earners, while seven were with salaried workers. The hourly raises ranged from 1 cent to 13 cents, with a nickel and 8 cents an hour the most frequent.

Raises granted salaried employees ranged from 5 cents to 24 cents an hour, and from 3.54% to 5%.

One of the most significant settlements confirmed during the month was:

• *General Motors interstate settlement with the UAW-CIO.* Noteworthy here are: the revision of an existing five-year contract; the addition of 19 cents of a 24-cent cost of living allowance into the base wage; an increment of 5 cents per hour to employees covered by the annual improvement factor; a 10-cent increase for skilled workers; and the escalator clause is now geared to the new revised BLS consumer price index.

VIRGINIA BOSCHEN  
GRACE MEDVIN  
Statistical Division

## Productivity

(Continued from page 285)

appears. That fashion is the ability to pay. And as the average union used and has used ability to pay, I think there is a considerable relationship to the general concept of productivity. The firm is able to pay more because more value is being produced by the worker.

However, with the General Motors formula, productivity became a mathematical progression based upon a fixed annual increment in pay scales. And the so-called Textron productivity provision actually put the cart before the horse by stipulating an annual wage step-up as an "incentive to increase productivity." Within the Wage Stabilization Board, a predetermined rate of productivity wage increase was stoutly defended by union members as a means of (a) providing higher worker income in order to take up any slack that might be caused by falling off in investment expenditures; (b) assuring that workers might hold their percentage share of the national inventory; (c) correcting wage inequities which existed under the prevailing wage stabilization regulations. In other words, all workers ought to be able to get the same benefits as those workers under the General Motors type of contract.

However, it is interesting to note that these productivity protagonists didn't become very articulate about this fundamental theory until Regulation 6 (10% money) and Regulation 8 (cost of living money) had been pretty well used up in all the basic contracts of the country.

Now, there are two very important and pertinent questions that confront us in looking at pro-

ductivity in relation to collective bargaining. The first question is: Has the American worker received wage increases which reflect and match the upward trend in productivity? And two: What portion of the benefits of increased productivity should be paid in the worker's wage rate?

The answer to question number one is rather conclusively afforded by the available statistical data. The data pretty clearly indicate that real average hourly wage rates have matched strides with rising national productivity. Granted that in certain years the real earnings have been slower than the increase in productivity, in other years the reverse has been true.

So far as the bargaining table rate is concerned, namely, money wages per hour (which incidentally is the cost rate so far as labor costs are concerned in the production of goods and services), this rate has moved up faster percentwise than has output per man-hour.

What seems to be wanted today in the minds of some union leaders is rather a guaranteed annual stepping stone based upon productivity. To me this is a rather absurd economic theory of wage determination—and for a variety of reasons.

But go back a minute to my conclusion, which I based upon statistical evidence, that real wages or money wages have expanded over the long run fully commensurate with any increases in national productivity. Let us now add a second point which is frequently overlooked: the additional income which labor is receiving is in the form of this package of things called fringes. Ironically, many people like to talk only of wage rates in connection with productivity, and prefer to forget the so-called hidden wages. These hidden wages are certainly hidden so far as BLS data and union data are concerned in measuring changes in worker income, both real or monetary, in relation to changes in national productivity.

But these hidden wages are not hidden so far as the businessman is concerned. Nor are they hidden to the cost accountant, who must figure the actual cost of producing each unit of goods or services.

Health, welfare and a wide variety of fringes in many, many instances are direct forms of income to the worker. Other forms of fringes certainly are compensation in the full sense of the word, even though they may be deferred compensation. And consequently, they are direct labor costs which must be covered either by the price of the goods or services or covered by higher productivity. And during the past ten years, these so-called fringe wages have risen steadily and rather precipitously.

The average factory worker today, as told by BLS, gets a straight-time hourly rate of some \$1.67. But, in addition, he receives total fringe benefits

## The Continuing Rise in Productivity— Its Source

**DR. DUNLOP:** I want to underline the point that the contributions to productivity in the United States are really an exercise and an operation of the community and the economy as a whole in which not merely . . . management and labor play a part, but in which each segment of the community plays a part.

The tenfold increase in college graduates in the last fifty years is raising the general level of skill and professional training. A similar increase in high school graduates in raising the level of skill of the work force has been an important factor. The increases in the medical profession, and in improvements in the health and sanitation of the community all have played a part. Government has had a role, too.

The point is we live in a dynamic community in which all elements of the community have a contribution to make in the process.

**MR. SHISHKIN:** We did not deliberately arrange all this. It happened to us. It happened to us because of our institutions in the United States. It happened to us because we had competition. Europeans didn't have competition. And the forces of competition were the ones that were shaping the course of increasing technology and were making possible the increasing productivity in the United States. At the same time, we had collective bargaining and it helped us keep the balance.

**MR. DOHERTY:** I think that we are simplifying the answer quite a bit if we attempt to wrap up productivity gains within a general package labeled "competition." I agree with Mr. Shishkin that the competitive system has been the fertile soil within which many productivity factors have been nurtured. Specifically, productivity gains have resulted from many factors, including technological improvements, size of production units, the operating load factor, occupational shifts among employees, a political climate conducive to new investments in plant and facilities, better supervision within departments or total plants, etc.

Most of these productivity-gain factors have been related to management initiative. Willingness to invest money in new machinery, the constant search for ways of utilizing new and better machinery and improving methods of production, increasing the efficiency in the flow of materials and in the reduction of wasted effort, advancement in industrial safety, and dozens of other developments are directly related to the thing we call management incentives. All of these things relate to the competitive system but, individually and collectively, they are responsible for the great upward trend in American productivity.

Lastly, I don't think we should overlook labor's attitude toward productivity, because where worker morale is high and where labor adopts a cooperative attitude toward more efficient methods of production and toward the utilization of improved machinery and genuinely rejects featherbedding efforts, we do stimulate higher productivity.

of some 30 cents to 32 cents per hour, or approximately \$625 to \$630 a year.

Now, if productivity is to be legitimately and equitably used on the bargaining table as a basis for wage negotiations, it is imperative that the combined wage rate and fringe benefits be placed on the bargaining table as a total package. Only by comparing this total package of labor costs with productivity is it possible to have any degree of equity in bargaining if that bargaining attempts to inject the proper concept of productivity into worker compensation.

Since 1949, American workers have received wage increases plus fringe benefits in excess of the rise in output per man-hour. That is my honest opinion. And that opinion is a very simple one based upon the fact that the statistical evidence indicates that the average straight-time hourly wage rate has matched changes in productivity. But since that time, in addition, we know that the total volume of fringe benefits has risen steadily, and no computation has been included in these studies with respect to the higher and higher cost of fringes. The studies which have been made on fringe changes indicate clearly that they have definitely and positively been raised.

The number two question raises the point of equitable distribution. I think we need to spend very little time on the general concept of what happens to productivity and where it goes. But as a background, perhaps we might recite the things that most of us are fairly well acquainted with.

Productivity is used for a variety of purposes:

- It may increase wage rates without raising the price of goods to the consumer.
- It may reduce the standard workweek reducing the total production of goods and services for public consumption.
- It may provide a greater supply of goods and services for total public consumption at lower prices, thereby causing the standard of living for all Americans to rise to even higher levels.
- It may pay for an ever-increasing volume of fringe benefits without encroaching upon wage income.
- It may support a high tax structure without reducing consumer standards of living.
- It affords an adequate return to investors and thereby encourages the necessary flow of capital.
- It may help us to produce both guns and butter in sufficient quantity so that we have adequate supplies of raw material and consumer goods. Since Korea, this country has not only engaged in tremendous military production of our own needs, but we have helped to arm many nations of the world, and at the same time the consuming public has never had it so good. Productivity has been the magic formula.



These are some of the things which result from higher productivity.

Now, the channels into which productivity in any plant or industry tends to flow will vary according to many factors.

First of all, over longer periods of time, employees, including management and supervisory employees and the consuming public tend to inherit virtually all of the gains in productivity per man-hour. A relatively small portion, if any, of the additional gains in productivity go to the investor.



Over shorter periods of time, we have increases in productivity which redound to the direct benefit of the profit recipient. In the longer run, however, that is not true. In fact—and Dr. Dunlop dealt with this particular angle rather interestingly—productivity has been a means whereby the owners of capital have been able to retain their normal rate of return in the face of higher wages and lower prices. It has been a defensive dike, as it were. I don't think that it can be well substantiated that over longer periods of time the flow of higher productivity has been to the profit recipient.

There are factors within individual industries, however, that will influence the rate or degree to which productivity will flow in one direction or another. For example, industries or companies where there is a relatively low ratio of labor costs to total operating costs will likely experience greater increases in wage rates as the result of higher productivity. The worker will get increasingly greater benefits in these areas. More competitive industries, on the other hand, tend to be price- and quality-conscious industries. As a result, management will fight to use productivity more as a market price factor, and resist to a greater degree the attempt on the part of the worker to absorb these gains.

Industries which are in the cycle of extensive expansion, such as the television industry today where we are constantly broadening our market area and the rate of growth is extremely rapid, are industries where quite naturally we will find that productivity results in not only a relatively high rate of increase for workers, but a reduction of prices to the consumers, and also an increased rate of return to the investor.

In manufacturing, mining, transportation and certain other lines, productivity changes we know are rarely if ever a plant-wide achievement. Therefore, it is important that we give a little thought to the individual plant or business as it approaches the bargaining table with the concept of productivity.

In manufacturing and similar lines, changes in productivity are normally related to changes in

productivity within a given department, or even upon a given machine. Many small manufacturing establishments—printing shops, etc.—will experience a growth in productivity merely by the installation of one new machine. The productivity is a direct relationship to that particular machine and not to the plant in general.

Conversely, there are fields of activity where you cannot departmentalize the concept of productivity. At best, productivity is a broad company-wide concept. For example, how in heaven's name would you measure changes in productivity for a group of performers on a television program? I am talking about the actors, singers, dancers, etc. If there is any change in productivity in a television station it is fundamentally the result of an over-all improvement in output, that is, the performance of work in relation to the man-hours concerned.

Now, under a piece rate or incentive system, the natural tendency in an individual plant is for the productivity gains to go to the particular workers engaged under that piece-rate or incentive system. But by the same token, if we have segmented union jurisdiction and only certain segments or areas of the workers are unionized, the natural tendency is that the improvements in productivity within their particular departments will go to them in greater proportion than to others. Except in the longer run, there is more tendency for the benefits of productivity emanating out of the given departments to spread to the workers. Unless again, we have rather segmented unionization.

The application of a fixed annual productivity increment to individual companies is completely illogical and unsound except as a negotiating gimmick. A national productivity factor has no true relationship to the productivity changes of any given company. And it is on an individual company basis that we negotiate at the bargaining table.

National productivity trends themselves are furthermore not a constant thing. Statistical evidence clearly indicates that productivity is a long-range concept. It rises and falls within given periods of time. The statistical evidence dissipates the economic soundness of a concept like an annual productivity increment that is largely a stepping stone to fixed annual lifts.

Within given companies, the productivity line is even more erratic than it is for the national economy. At the date of any given contract negotiation, it is highly improbable that any management could conceivably project the individual company's productivity gains for the next three, five or ten years. To negotiate a productivity increment every year would in my opinion be a complete bargaining table travesty. Productivity increments emerging in the thinking of certain union leaders, as expressed in the General Motors formula, and as sought by certain members of the Wage Stabilization Board who were anxious to

establish a national productivity formula, is a prostitution of the fundamental concept of productivity.

Productivity has been America's most abundant economic resource. This resource has bought us many things which I have outlined very briefly—shorter workweek, shorter worktime, higher standards of living, and all the other things that go with it. It has brought increasing fringes which we want, which workers want and which American management feels are legitimately a part of the negotiating process.

Therefore, productivity, on a company basis, on an industry basis, on a national basis, is a resource which must be shared jointly, though not necessarily equally, by the workers, the capital owners, the land owners, the consuming public and the government.

The best way to preserve the inherent vitality of free private enterprise, to maintain America's healthy productivity trend, is to keep the benefits and the distribution of productivity solely within the realm of a negotiable factor. If an individual company has experienced greater productivity, the degree to which that is distributed among the various elements of our society should be a factor based upon the normal bargaining table processes and not upon any predetermined concept of an annual increment that belongs to somebody in particular.

## Productivity and Wages— A Union Viewpoint

—Boris Shishkin—

**T**HE FUNDAMENTAL PROPOSITION with which we are dealing here is the one in which labor and management must be in agreement. It is the proposition of growth. In dealing with this proposition it would be a great mistake for us to get lost in the argument over what should be the wage policy or what should be the wage shares, or profit shares, or shares of other income recipients.

No such wage policy can be formulated, no such decisions as how to translate productivity into one form of income or another, can be made by one individual. The many interacting decisions show up in the national economy—in individual decisions there is no wage policy.

Over a long period in the development of collective bargaining, various forms and standards have been tried. Various tests have been used in pay determination: ability to pay, changes in living costs, changes in the productive conditions, the machine load, this, that and the other thing. All of these become factors to be considered. But as each one of those gain dominance over another—as for example, the living costs begin to be used increasingly in collective bargaining, or as the ability-to-pay argument

comes to the fore—we have a rising chorus of protest coming from various quarters of the business community. They say: "The most fundamental factor in the American economy to which you can relate wages is the change in the national economy that results from production. Production is the basis. Production is the source. The only measure that we have for its increase is productivity."

Well, in February of this year we prepared a report, summing up very briefly the relationship between wages and productivity. The executive council of the American Federation of Labor adopted that statement and made it public. Our report was a recapitulation of the role of productivity in the American economy over the past forty years.

Money wages and productivity over the last forty years have moved in a pretty close relationship. The trend has been for wages to move along with productivity. There were some disparities and some gaps, but the general relationship remained close.

One example of such disparity developed during the twenties. At that time we had a great spurt in productivity which was not accompanied by adjustments in the wage structure. Without getting into an argument, let me indicate that the limited extent of collective bargaining at that time no doubt contributed to the failure of wages to accompany productivity during that period. It was the period when we had the open shop drive going on in the United States.

Then, from 1929 to 1934, we had quite a depression. It might be reasonable to point out that the length of that depression and the depth of it were no doubt enhanced by the disparity between wage compensation received by the workers and the rise in productivity over the preceding decade, when productivity was rising at the rate of more than 3% per year.

We do not contend any more than this: The pace of the economic expansion in the United States is sustained by the available volume of consumer purchasers in a peacetime civilian economy. Therefore it is essential for the country as a whole to maintain a balanced relationship between buying power and productivity. A balance must be maintained between the gains of productivity in the economy as a whole, on one hand, and the level of compensation on the other.

Of course, it is absurd to say that wages ought to be proportionate to productivity in any particular industry or any particular plant. There can be no such direct relationship, especially when there is a new product or when a new process comes into use. You have time and time again dramatic illustrations of this. Take aircraft construction, where airplane parts are built by hand up to a certain point and after that they are turned out on more or less of a mass production basis. Once you have reached the assembly line stage, of course, productivity goes up at a terrific rate. And when you have a productivity increase of



3000% in a period of two years, nobody is going to talk seriously about increasing wages 3000% for people who are doing perhaps less skilled labor in putting that airplane together. In that particular instance, organization of production plus new technology have made possible increased productivity.

On the other hand, you have industries that do not have any rise in productivity, and industries with declining productivity. I think that this is quite important to bear in mind. Take, as a crude example, the man up in Syracuse who makes a particularly fine grade of hand-painted china.

The value of that particular china is in the fact that it is made by hand—that the worker takes the brush and puts that border decoration on it by hand. He has to do it with great skill. You can buy much cheaper china, but it will be machine made, not hand-made.

To the extent that particular skill determines the value of that product, productivity cannot be increased. Quality will deteriorate once the manual operation is replaced by a machine operation.

In a predominantly machine civilization such as ours—which is going forward by leaps and bounds, where the level of income of the society as a whole is rising and where that rise is accompanied by the increase in the volume of goods and services that the population is able to consume—people should be able to afford a higher price for handmade products. They should pay more for the handmade product precisely because it is made by hand. Its value has risen in relation to those things which are made by machines. Therefore the man who makes handmade dishes is entitled to an increase in compensation simply because productivity in the country as a whole has risen. Carry this situation to its logical conclusion. Suppose the man with all his great skill for making quality china doesn't have an increase when the country's productivity goes up. If he does not, he will go into a machine factory and become a machine tender in order to earn more despite his skill.



I have not heard it contended, and it is wrong to contend at a collective bargaining table, that plant productivity alone is the sole factor for increasing wages. There are always other factors. Nor is it always possible to establish a close relationship between wages and productivity of a particular plant.

Curiously, the parts are sometimes more difficult to measure than the whole. Experience has shown that it is easier to accurately measure productivity trends for the economy as a whole than it is to determine the productivity changes in a particular plant or a department of a plant. It is analogous to a man weighing himself. He steps on the scale and gets his weight. But it is much more difficult to measure the weight of the heart or appendix.

There have been determinations of rate of productivity for a particular type of operation in a particular type of industry. The results of such studies have been published. Occasionally they elicited some blushes. There is the classic example of the productivity index for the dress industry which was attempted some years ago. A close look at the figures revealed that the rate of productivity increased as the skirt rose. In other words, as skirts became shorter the productivity increased; as skirts became longer, the productivity declined. Obviously the product changed. These product changes are occurring all the time. But those distinctions disappear and are no longer significant when you examine the changes in the productivity of the economy as a whole.

In all this discussion of productivity and wages, one crucial point is emerging. The major point that seems to be made most often by business spokesmen is that productivity increases ought to be translated into lower prices. They insist that it is all wrong to translate them into higher wages. Well, I am not going to sit in judgment over ethical questions. I am not going to judge what is right and what is wrong. All I can say is that the record of experience in the United States over an extended period of time is just as plain and clear as it could be. It is simply this—in our economy the growth of mass markets in the United States has been made possible by the translation of productivity gains primarily into wage income.

There are areas that can be very clearly isolated as exceptions. One of them is a new industry. When new industry comes in, you have a spurt in new production. Mass production is developed, and you have a great spurt in the output. During that period you have the increased output reflected in lower and lower prices.

Another is the area of public utilities subject to public regulation. Within an administered price system of that kind, you can achieve price decreases because of the disparity between the process of price making on one side and collective bargaining on the other.

But by and large, in the economy as a whole over a long period of years, we have been fortunate in the fact that we have been able to support an expanding economy paced by rising productivity through expanding income and purchasing power.

All we did in the American Federation of Labor report of last February was to point out a danger signal. During those peacetime years between World War II and prior to Korea, the rate of increase in the volume of consumer purchases had sharply declined in relation to the national product. Yet productivity was surging ahead at the record pace of over 5% a year. The danger lies in the widening gap between wages and productivity.

The high continuing rate of capital expenditures promises continuing expansion of our economy. We

and in the world today as the outstanding and the leader in our ability to utilize the machine and apply it to an expanding market and increasing, accelerating activity, with lower unit costs made possible by competition and mass marketing.

America's ability to expand today is a challenge to economic systems in which free dynamic forces are not operative.

Mass distribution for a mass market is not the rule in the free countries of Western Europe. It is completely absent in the communist-dominated regulated economy. If we are prepared to defend the case and record by the American economy, we must be prepared to make sure that rising productivity is matched by the purchasing power of consumers. It is the way in which the American economy has been kept both dynamic and strong.

### Discussion Period

**QUESTION:** I am getting the impression that this formula of productivity and formula of cost of living is a great deal of sophistication. It seems that the formulas of General Motors, Textron, or any of these other places probably didn't have any particular reference to anything except somebody's idea of a better competitive position and what the company thought the union would accept, and what the union thought was good for their own people to accept.

I am just wondering if we aren't a little apt to get lost in all of our sophistication. Aren't we really talking about a bit of competitive bargaining?

**DR. DUNLOP:** There is an element of truth in that. The General Motors bargain was not built on any abstract theory. It was a pragmatic deal made between parties who found the bargain mutually acceptable.

It is an equitable deal under all the circumstances that 4 or 5 cents a year shall be given as an increase in wages. I distinguish the metaphysics or rationalization about that kind of bargain from the fact of a bargain. It is a bargain. If both bargainers like it, as far as I am concerned, it is a good bargain for them.

I would not, however, wish you to minimize unduly the influence of ideas in affecting the behavior of management and union people.

The people who wrote the General Motors contract thought they were doing more than striking a deal. They impress me as men who firmly believed in what they wrote down on paper. Management under that contract has the right to set work standards, production standards. That is a very important right to that management. It is also very important to costs in that industry and in that company.

The union, in exchange, secured the modified union

shop, these wage increases and an improved security program. The people who wrote that believed—and it is reflected down the line in the organizations of both—that their economic condition depends upon increasing productivity.

Part of the difficulty in other companies is that certain people around the country copied what somebody else did in the General Motors situation and copied it in literal form without the same ideas, without the same devotion, without the same objectives in mind. And the finger should be put upon the fact that the formula cannot be transferred without the same thinking and without the same devotion.

**MR. DOHERTY:** I think there is a point we might consider very briefly, going back to the horse and cart. If we had a nice mathematical relationship between wages and productivity, I believe we might well impede the growth of productivity. Because of bargaining pressures, many companies tend to arrive at contracts which are probably beyond their immediate ability to pay adequately, with the result that that situation creates, as Dr. Dunlop said earlier, a tremendous stimulant to that company to move heaven or hell to increase productivity in order to meet these higher rates.

Therefore, I advance the thesis that if we could—if, I say—if we could have this rather nice mathematical relationship of wage changes to productivity, we might well undermine the driving force that has been so important in raising productivity.

**QUESTION:** Mr. Shishkin, as I understand it, you are interested in applying this general rise in productivity per year over all the workers in the economy—that would include government workers and office workers, etc. Then we could just work out a very nice formula where everyone would get a 2% increase, which means two things: it means that your union will have to abandon all the other arguments that it has been using in recent years; and it means eventually it would end up by putting your union out of a job because you had arranged it throughout the economy. Do you have any comments on that?

**MR. SHISHKIN:** I would like to take the last point first. I think the institution of the labor union—this may be very unorthodox in some labor quarters—is necessary only so long as there is a conflict of interest between workers and employers. The institution of the union is the sole product of the interplay of forces aroused by the differences of self-interest. In a perfect society, the need for unions would disappear. In the meantime, if it were possible to serve all interests equally and make automatic adjustments, with an economic starter here, an accelerator here, the choke here, and all other necessary buttons, in one mechanical device to accomplish what you are saying, we could perhaps abandon the trade union movement as the economic force we know it to be today. This



could be done once management agreed with the purpose for which the workers maintain unions.

As for the question as to whether automatic increases can take care of all other factors in bargaining, I say no, because in a growing economy a lot of situations develop creating disparities that may be very wide. Besides, we are not translating productivity solely into wages. It has been pointed out in this panel that shorter hours and other benefits grow out of it also.

**QUESTION:** One of the problems that arises in any negotiation is the problem of determining or calculating productivity in any individual situation. Would any member of the panel like to suggest a formula for computation in a multiproduct industry which recognizes the elements of investment as well as man-hours?

**DR. DUNLOP:** I will comment briefly. All the members of the panel have disavowed any interest in finding a formula to adjust wages in an automatic fashion. Let us assume, however, one wishes to measure productivity in order to know what changes have taken place. The ordinary statistical problems arise where you have multiproducts. Take the problem of measuring an increase in productivity in the steel industry where you have many thousands of types of products, where you have a changing proportion, say, of tin plate, light rolled products, and structural iron and steel members. That would be a typical situation.

There are well-established techniques—statistically speaking—to meet this situation, none of which are entirely satisfactory. The most common method would be to take a product mix as of a certain date and to assume that that product mix is maintained. This is a very technical question concerning the kind of weights which ought to be used.

**MR. SHISHKIN:** Let me add one point on your question. It is very tricky, but I think it is very important to take full account of the change in the character of the products that go into the mix. It is very difficult to do it, but it is very vital to avoid a serious distortion.

**QUESTION:** Productivity is the magic word, as most of you people in management know. Whatever it means, that's the word.

I believe that we are going to have to bargain on it. It seems to me that all the conversation here today has avoided discussing one more point—at least important to management. The long-term contract and the prospective and anticipated peaceful relationship was one of the quid pro quos in the productivity deal.

The question I would put to the unions, to any union, nowadays is: What is your quid pro quo, your new advance on productivity? Management is going to want something in exchange.

**CHAIRMAN COLE:** This is not an attempt to answer your question, but only yesterday I sat in

arbitration on a case where there was a question increasing the number of looms per worker. And found a good deal of evidence offered by the people who had been asked to try out the new loom loom. And they said, "Horrors, we can't do it. Won't do. Rather earn half as much under the old system. Let us give us 10% more, and we'll try it!"

I mention that not to be facetious but to indicate a real element that enters this complex industrial relations field. I cannot help but wonder how much of the progress we have made over the years for which all of us feel grateful would have occurred if labor had not been induced to be willing to experiment—sweetening the pie, or by sugar-coating the pill, to speak. Just how much of the technology would have been possible or impossible if the sweetening process had not been engaged in? It is an element to be considered. These things are not segregated, isolated and considered by themselves. They are part of a large and complex picture.

There has been a lot of talk about which comes first, the cart or the horse. It depends upon which end of the horse we are talking about. Things can be shoved as well as pulled.

## Speed Reading

(Continued from page 280)

to evaluate and interpret. How well can we measure this factor?

### KIND OF MATERIAL AND WPM

Underlying this whole subject of speed reading is the question of what kind of reading material is being talked about. Is it "light" reading, literature, technical reports, or what? There is no doubt, say the experts, that what you read makes a great difference in your speed of reading and your comprehension. A person who would run through a newspaper story on the latest developments in a labor dispute (say at a rate of 800 words per minute) might well go much slower (perhaps 300 words per minute) in reading a detailed report on how to introduce a job evaluation plan in his organization. The degree of reading difficulty of these two pieces of material will differ; so will the reason for reading them, as well as the importance of comprehension for each.

The experts explain that courses of reading improvement are primarily aimed at informational reading rather than the reading of literature or reading for entertainment. And only modest claims are made for improvement in reading technical material. Specialists in reader training admit that technical material must be read slowly and carefully—and some of them would make no claim for improvement in this area.



Another factor to be considered is words per minute. The question is how is the WPM computed? Is it sustained over a period of 1/100 of a second or is it sustained over several hours? Is it the average of a group, and what kind of statistic does this average represent? Also what kind of reading matter was involved when the WPM was computed?

If the reader read by getting the gist of the article rather than reading all the actual words, if he even reads 1,000 WPM, so what? He hasn't actually read the words. Is it a fair comparison, then, or is it really worthwhile to compare speed in WPM when one test involves reading every word and the other does not? A rate of X words per minute obviously involves a great deal more than immediately meets the eye.

### WHAT RESULTS ARE ACHIEVED?

Most reports show that the average reader before training is reading ordinary informational material at a rate of about 250 WPM. After training, the average speed is about doubled. Individuals range up to 900 words per minute after training. Even speeds as high as 3,700 have been reported, but these, of course, are highly unusual.

Some increase in comprehension is nearly always reported. Since slow readers have, let us say, 90% comprehension before training, there is no room for the spectacular improvement which is found in WPM rate increases. Many seem satisfied to speed up WPM without showing any letdown in comprehension.

As has been stated, increases in WPM and in comprehension seem to be reported rather consistently by nearly all training courses. This leads some people to conclude that results are achieved simply by the attention paid to the subject matter rather than being caused by any particular method.

Long-term results of speed reading training are not known at present. There is no definitive answer to the question, "Does increased speed, once acquired, tend to remain high or does it revert to former levels under the pressure of the pacer and the stimulus of the course are removed?" More follow-up research is still needed but some studies are moving in this direction.

The Mutual Life Insurance Company of New York looks on the value of such a course as removing the doubts of the individual that his eye and brain can do the job. Says Mutual Life:

"Our course does two things at the outset. It convinces the student that he can safely rely on his eyes and brain to do the job. It makes him aware of the elements that lead to increased reading speed. As soon as students have faith in their eyes and brain, it becomes relatively easy to acquire the skills that lead to increased speed without loss of understanding."

What approaches are taken by employers who decide to try speed reading training?

Some organizations that have publicized their speed

reading activities within the last few months are:

The Atlantic Refining Co.  
International Business Machines  
Esso Standard Oil Co.  
Johnson and Johnson  
New York Life Insurance Co.  
Mutual Life Insurance Company of New York  
U. S. Army Signal Corps., Ft. Monmouth,  
New Jersey  
Minneapolis Honeywell Regulator Co.  
National City Bank of Cleveland

Some companies prefer to employ a speed reading expert to do the job. Others feel it quite satisfactory to start with a consultant and train an expert from their own staff who then carries on the program. Some send the trainees to the expert for instruction. Others prefer to arrange in-plant courses. So for the most part a company will arrange its training programs to suit its own particular needs and conveniences. And speed reading training can be adapted to the many variable conditions found in companies today.

Here are a few notes of how MICRO Switch, a division of Minneapolis-Honeywell Regulator Company, handled its program. MICRO found it practical to set up speed reading training on an in-plant basis.

To begin with, MICRO set up a "reading center" on a temporary, four-week basis, and then restored the room to its previous uses. During this four-week period, twenty-six top-level and second-level executives were trained in a course requiring absence from their desks one hour each day for twenty consecutive working days. An additional twelve hours were spent in "before and after" testing and counseling.

An outside trainer was employed to conduct the twenty-hour session. The trainees were divided into six groups of four or five during the day, so that each might have the maximum of individualized instruction. Training emphasized rate, comprehension, and vocabulary, depending on the needs of the individual.

MICRO reports that the group which needed help with comprehension improved 48% in that area and 14% in rate of reading. The group which put most time on WPM increased their rate by 51% and comprehension by 2%. Those who needed help on rate and vocabulary increased their rate by 80% and vocabulary by 9%.

As a result of the course, MICRO bought a tachistoscope, an accelerator, and reading material. This equipment was set up in the personnel office so that those who took the course could continue their individual efforts at self-improvement. MICRO is planning another course. They say, "We think those results justify the time and money we put into the course many times over."

GEORGE V. MOSER  
Division of Personnel Administration



## Wage Adjustments Announced Prior To July 15, 1953

| Company   | Type of Worker <sup>1</sup> | Average Amount | Increase Date Effective | Approximate Number Affected | Remarks  |
|---|-----------------------------|----------------|-------------------------|-----------------------------|--|
| <i>Chemicals and Allied Products</i>                |                             |                |                         |                             |  |
| B. F. Goodrich Company .....                        | WE                          | \$ .10 hr.     | 12-1-52                 | 284                         | Raise came through wage reopening. Previous hourly average was \$1.478 effective January 14, 1952. Tenure of contract two years. (Chemical Workers, AFL)   |
| Marietta, Ohio<br>Plastics Division                 | S                           | see remarks    | 12-1-52                 | 117                         | Contract granted salaried employees increase of \$17.50 per month or 5% of base salary adjusted to nearest dollar, whichever greater. Average salary prior to settlement was \$339.83 per month effective January 16, 1952. (No union)   |
| Hercules Powder Company .....                       | WE                          | see remarks    | 2-2-53                  | 126                         | Increase, which came through wage reopener provisions, varied from 1¢ to 14¢ with an average raise of 6¢. The settlement was retroactive to November 10, 1952. Contract runs to December 31, 1953. (Oil Workers, CIO)  |
| Bacchus, Utah                                       |                             |                |                         |                             |  |
| National Cylinder Gas Company ....                  | WE                          | \$ .13 hr.     | 11-1-52                 | 21                          | Raise followed expiration of old contract. Average hourly rate prior to settlement had been \$1.7579 (includes shift rate effective November 1, 1951. Firm also granted increase meal allowance from \$1 to \$1.50; shift rates increased from 1¢ for second and 10¢ for third to 7¢ and 12¢ respectively. Contract to run through October 31, 1953. (Gas, Coke & Chemical Workers, CIO) |
| Milwaukee, Wis.                                     |                             |                |                         |                             |  |
| <i>Electrical Machinery, Equipment and Supplies</i> |                             |                |                         |                             |  |
| Sylvania Electric Products, Inc. ....               | WE                          | see remarks    | 7-1-52                  | 100                         | Following expiration of old contract company granted increase of 5% with 6¢ minimum for an average raise of 8¢. Fringe benefits granted included three days off in case of death immediate family. Contract expires November 24, 1955 (IUE, CIO)   |
| Long Island City, N. Y.                             |                             |                |                         |                             |  |
| <i>Lumber and Wood Products</i>                     |                             |                |                         |                             |  |
| Michigan Pole & Tie Company .....                   | WE                          | \$ .02 hr.     | 10-21-52                | 27                          | Increase was granted following expiration of old contract. Firm granted more liberalized vacation plan to include employees with less than 1 year's service. (Int'l Woodworkers, CIO)  |
| Dollar Bay, Mich.                                   |                             |                |                         |                             |  |
| <i>Machinery (except Electrical)</i>                |                             |                |                         |                             |  |
| Davis & Furber Machine Company ..                   | WE                          | \$ .04 hr.     | 3-30-53                 | n.a.                        | The 4¢ raise brought the average hourly day-rate pay to \$1.67 and the average hourly earned pay to \$1.76. (Molders Foundry Workers, AFL)   |
| North Andover, Mass.                                | WE                          | \$ .05 hr.     | 1-12-53                 | n.a.                        | The increase brought to \$1.47 the hourly day-rate and to \$1.47 the average hourly earnings. (Steelworkers, CIO)  |
| Worthington Corporation .....                       | WE                          | \$ .075 hr.    | 2-16-53                 | 1,100                       | Increase followed expiration of old contract. New contract runs for 2 years. (Steelworkers, CIO)   |
| Buffalo, N. Y.                                      | S                           | \$ .075 hr.    | 2-16-53                 | 450                         | Same as above. (Office Employees, AFL)   |
| <i>Ordinance and Accessories</i>                    |                             |                |                         |                             |  |
| Firestone Tire & Rubber Company ..                  | WE                          | \$ .10 hr.     | 10-14-52                | 55                          | Contract was first agreement between company and union. Prior to settlement average hourly wage was \$2.04. Contract runs to October 1, 1954 with provision for wage reopening after October 1, 1953. (Bro. Railroad Trainmen, ind.)   |
| Firestone Steel Products Company<br>Division        | WE                          | \$ .12 hr.     | 10-14-52                | 50                          | Same contract as above. Previous average hourly rate was \$2.10. (Bro. Locomotive Firemen & Enginemen, ind.)   |
| Warren, Ohio  |                             |                |                         |                             |  |
| <i>Paper and Allied Products</i>                    |                             |                |                         |                             |  |
| Case & Risley Press Paper Company                   | WE                          | \$ .03 hr.     | 1-1-53                  | 29                          | Raise granted following expiration of old contract. Tenure of contract 1 year. (Int'l Bro. Paper Makers, AFL)  |
| Oneco, Conn.  |                             |                |                         |                             |  |
| Kehr Paper Products Co. ....                        | WE                          | \$ .05 hr.     | 11-1-52                 | 70                          | Firm granted raise in new 1 year contract. Previous average hourly wage was \$1.80 for men and \$1.30 for women effective November 1, 1951. Daily hospitalization benefits increased from \$8 to \$10 per day; surgical benefits increased from \$150 maximum to \$250 maximum. (Paperworkers, CIO)  |
| Philadelphia, Pa.                                   |                             |                |                         |                             |  |



# Wage Adjustments Announced Prior To July 15, 1953—Continued

| Company  | Type of Worker <sup>1</sup> | Average Amount           | Increase Date Effective | Approximate Number Affected | Remarks  |
|--|-----------------------------|--------------------------|-------------------------|-----------------------------|--|
| Northwest Paper Company ..... Cloquet, Minn.   | WE                          | \$0.01 hr.<br>\$0.04 hr. | 7-15-52<br>11-17-52     | 1,600                       | Average hourly wage prior to settlement was \$1.496 effective December 19, 1951. Fringe benefits granted include pension plan for hourly paid employees and a sixth paid holiday. Contract continues unless terminated on anniversary date, and may be opened on June 15, 1954 for revision. (Int'l Bro. Paper Makers; Pulp, Sulphite & Paper Mill Workers; Int'l Bro. Firemen and Oilers, AFL)  |
| A. Sussman & Company, Inc. .... Philadelphia, Pa.  | WE                          | \$0.05 hr.               | 12-1-52                 | 20                          | Raise granted after expiration of old contract. Previous to settlement average hourly rate was \$1.375 effective June 10, 1951. Contract expires June 1, 1954. (United Paperworkers, CIO)  |
|  | S                           | \$0.05 hr.               | 12-1-52                 | 4                           | Previous average salary \$1.40 per hour. (No union)  |
| <i>Petroleum and Coal Products</i><br>Flintkote Company ..... Mt. Carmel, Ill.   | WE                          | \$0.08 hr.               | 11-21-52                | 60                          | Company granted raise following contract expiration. New contract runs for one year from date effective. Prior to settlement average hourly rate had been \$1.4192. (Pulp, Sulphite & Paper Mill Workers, AFL)   |
| <i>Primary Metals</i><br>U. S. Reduction Company ..... East Chicago, Ind.  | WE                          | \$0.02 hr.               | 2-1-53                  | 175                         | Increment came through wage reopening provision. Contract runs for 18 months. Average hourly earnings prior to settlement were \$1.63 effective February 1, 1952. (Gas, Coke & Chemical Workers, CIO)  |
| <i>Professional, Scientific, and Controlling Instruments</i><br>Sperry Gyroscope Company, Inc. ... Lake Success, L. I. | WE                          | \$0.04 hr.               | 5-18-53                 | 10,124                      | Settlement resulted from expiration of old contract. Last previous settlement became effective April 17, 1950. Company also granted four hours off with pay before Christmas and New Years'; \$1,000 life insurance continuation upon retirement if 15 years or more of service; holiday pay computed on average hours worked basis; 18¢ cost of living allowance incorporated in base pay; night shift bonus included in holiday pay—2½ times if holiday is in regular work week, 3 times if on Saturday; improved Blue Shield coverage. Tenure of contract 2 years. Settlement retroactive to April 13, 1953. (IUE, CIO)   |
|  | S                           | \$1.60 wk.               | 5-18-53                 | 1,602                       | Same as above. (IUE, CIO)  |
| <i>Textile Mill Products</i><br>Jason Corporation ..... Hoboken, N. J.   | WE                          | \$0.10 hr.               | 2-15-53                 | 57                          | Firm granted raise after expiration of old contract. Previous average hourly wage had been \$1.60 effective November 6, 1950. Life insurance increased from \$500 to \$1,000; Blue Cross and Blue Shield coverage to be paid for entirely by company. Contract runs for 2 years. (Textile Workers, CIO)  |
| Owens-Corning Fiberglas Company .. Huntingdon, Pa.   | WE                          | \$0.03 hr.               | 2-16-53                 | 860                         | Raise came through wage reopening. Two cents previously paid under a cost of living clause was put into the base rate and escalator clause was eliminated from contract. Contract runs to January 1, 1955, with provision for wage reopening on January 1, 1954. (Textile Workers, CIO)  |
| <i>Transportation</i><br>Braniff Airways, Inc. .... Interstate   | S                           | \$0.12 hr.               | 12-1-52                 | 1,540                       | Increase followed expiration of old contract. Prior to settlement average hourly salary was \$1.33 effective November 1, 1951. Contract expires February 1, 1954. (Bro. Railway & Steamship Clerks, Freight Handlers, Express & Station Employees, AFL)  |
| Philadelphia Transportation Company Philadelphia, Pa.  | WE                          | see remarks              | 12-15-52                | 10,000                      | Raise followed expiration of contract. TWU represents both operating and maintenance employees. Operating employees were on a 6-day week, maintenance workers a 5-day week. New contract reduced work week for operating employees in steps from 6 days to 5 days; to partially compensate for this, these employees were granted larger total increase than those already on a 5-day week. Operating employees granted 21¢ staggered increase—8¢ effective December 15, 1952, 6¢ September, 1953 and 7¢ June, 1954. Maintenance workers received total increase of 16¢, 8¢ as of December 15, 1952 and 8¢ effective December 13, 1953. Fringe benefits granted were: increased group insurance and uniform allowance, minimum pensions, and meal allowance. Previous average hourly wage was \$1.65 effective December 15, 1950. Contract expires December 15, 1954. (Transport Workers, CIO) |



## Wage Adjustments Announced Prior To July 15, 1953—Continued

| Company   | Type of Worker <sup>1</sup> | Average Amount | Increase Date Effective | Approximate Number Affected | Remarks  |
|---|-----------------------------|----------------|-------------------------|-----------------------------|--|
|   | S                           | see remarks    | 1-15-53                 | 800                         | Office employees granted increases equivalent to hourly rates but on a percentage basis. Salaries increased effective January 15, 1953. On January 15, 1954 a raise will be given, making a total increase of 8.26% remainder of contract. Raise came through voluntary re. Fringe benefits same as above. Prior to settlement hourly rate had been \$1.69. Contract runs to January (Teamsters, AFL)                                  |
| <i>Transportation Equipment</i><br>Fruehauf Trailer Company ..... | WE                          | \$.08 hr.      | 2-20-53                 | 34                          | Increase followed expiration of old contract. Persons with to five years' seniority granted 1 week vacation with 6 pay. Provision for wage reopening February 20, 1954. of contract 2 years. (Auto Workers, AFL)   |
| Cincinnati, Ohio  |                             |                |                         |                             |  |
| General Motors Corporation .....                                  | WE                          | see remarks    | 6-1-53                  | n.a.                        | Raise came through revision of existing 5-year contract. ten cents of a 24 cent cost of living allowance added wage rate. Employees covered by annual improvement agreement granted increase in base wages of 5¢ per hour effective May 29, 1953, and an additional 5¢ per hour on 1954. Rates of skilled workers increased 10¢ an hour June 1, 1953. Cost of living allowance now geared revised BLS Consumer Price Index. (UAW, CIO) |
| Interstate  |                             |                |                         |                             |  |
| Outboard, Marine & Manufacturing Co. ....                         | WE                          | \$.11 hr.      | 12-20-52                | 59                          | Raise followed expiration of old contract. Increases based on increase. Fringe benefits granted were 2 weeks' vacation pay after 1 year, 3 weeks after 15 years. Tenure of 1 year. (Office Employees, AFL)   |
| Galesburg, Ill.   |                             |                |                         |                             |  |
| Gale Products Division  |                             |                |                         |                             |  |
|   | S                           | \$.24 hr.      | 12-20-52                | 42                          | Same as above (No union)   |
| <i>Miscellaneous</i><br>Brink's, Inc. ....                        | WE                          | \$1.05 wk.     | 7-1-52                  | 200                         | Prior to settlement average hourly wage had been \$1.40 effective July 1, 1951. More liberalized vacation benefits Health and welfare plan fund became effective December 1952. Contract runs from July 7, 1952 to June 30, 1953. (Teamsters, AFL)   |
| Boston, Mass.   |                             |                |                         |                             |  |

<sup>1</sup> WE, wage earner; S, salaried employee.  
n.a., not available.

## Industrial Nurse

(Continued from page 293)

III. Personal medical services involving the establishment of a diagnosis and the definition of treatment or the performance of specific preventive measures are the function of the physician. However, it is desirable for the nurse to participate in such services if she acts under direct medical supervision or under indirect supervision such as is provided by standing orders.

Standing orders are defined as a written compend of directions outlining services and procedures, approved and signed by a licensed physician and acknowledged by him to be services and procedures that may be performed by a certain nurse under certain circumstances. Such orders should not attempt to delegate the exercise of medical discretion but should serve as authorization

for approved routine procedures for common conditions and as a directive for emergency care in more serious or complicated conditions, until the physician's arrival.

- IV. In the absence of direct medical supervision, the nurse should acquaint her employer with the legal and ethical scope of her services. She should, at no time, exceed the limits imposed on her by training and licensing. If the nurse is asked to perform services exceeding legal and ethical limitations, she should seek approval from the nearest official medical and nursing agency.
- V. In respect to industrial health services other than those listed as personal, the nurse can exercise considerable initiative. Practical limits must be based on her training, experience, and the availability of qualified consultants.